

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona

March 24, 2015

1:06 p.m.

REPORTED BY:

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1 CHAIRMAN McCUSKER: We're going to convene the
2 meeting. It is 1:06 by the official clock.

3 Let's get the pledge.

4 Jannie, do you want to lead it?

5 MS. COX: Sure.

6 (Pledge of Allegiance)

7 CHAIRMAN McCUSKER: For the folks in the
8 audience, we usually go straight to executive, which lasts
9 usually an hour, and then we come back, which is why you
10 don't see anybody else in the meeting, so if you've got
11 something better to do, we'll be probably kicking off around
12 2:00.

13 Michele, do you want to call the roll?

14 MS. BETTINI: Jeff Hill.

15 MR. HILL: I'm here.

16 MS. BETTINI: Chris Sheafe.

17 MR. SHEAFE: Here.

18 MS. BETTINI: Fletcher McCusker.

19 CHAIRMAN McCUSKER: Here.

20 MS. BETTINI: Mark Irvin.

21 MR. IRVIN: Here.

22 MS. BETTINI: Jannie Cox.

23 MS. COX: Here.

24 CHAIRMAN McCUSKER: We have a quorum and we're
25 waiting on Cody; right?

1 MS. BETTINI: Yes.

2 CHAIRMAN McCUSKER: You have the transcriptions
3 from -- the transcripts from the February 24th meeting. Any
4 comments, questions --

5 MR. SHEAFE: So moved.

6 CHAIRMAN McCUSKER: -- changes?

7 MS. COX: Second.

8 CHAIRMAN McCUSKER: Mr. Sheafe moved to approve.

9 All in favor say aye.

10 (Motion made, seconded and carried unanimously)

11 CHAIRMAN McCUSKER: We have on the schedule
12 executive session. I need a motion to recess.

13 MR. IRVIN: So moved.

14 MR. SHEAFE: Second.

15 CHAIRMAN McCUSKER: Mr. Irvin moved, Mr. Sheafe
16 seconded.

17 All in favor say aye.

18 (Motion made, seconded and carried unanimously)

19 (Recess)

20 CHAIRMAN McCUSKER: Okay. We can entertain a
21 motion to reconvene.

22 MR. IRVIN: So moved.

23 CHAIRMAN McCUSKER: Second, please?

24 MS. COX: Second.

25 CHAIRMAN McCUSKER: All in favor say aye.

1 (Motion made, seconded and carried unanimously)

2 CHAIRMAN McCUSKER: Cody and Chris are right
3 behind us, so everyone that was here is still here.

4 I wanted to kind of share some things that are
5 going on around Rio Nuevo. And they're not necessarily
6 agendized for action today, some old business, some new
7 business as part of the Chairman's remarks.

8 I did get just today the preliminary results of
9 the landfill gas monitoring engineering work that we're
10 doing on the far west side. A lot of people have been
11 following that.

12 Michele, when we get the final copy, we'll post
13 that to the -- to the web.

14 But they did probably 25 different probes, drill
15 sites, and it's not a good picture, huge methane productions
16 per probe sometimes as high as 55 percent per whatever the
17 measure. Anything above 15 I understand is problematic.

18 Moreover, the carbon dioxide production is really
19 problematic. They've indicated basically nothing will grow
20 above 15 percent CO₂. We have a number of probes that are
21 at 17 percent, 28 percent, 25 percent, 35 percent, 21, 23,
22 24, 22, 16, 16, 21, 24 percent CO₂. So what that means,
23 which is part of why we're doing the research, is very
24 little, if anything, will grow on that property without
25 substantial land fill eradication.

1 It also means that we probably can't disturb the
2 cap without creating a toxic environment, so it really
3 limits what we considered to probably something that would
4 be surface related. We cannot, I'm told, even pave or
5 asphalt over that because it continues to settle.

6 So, you know, we can look into a total
7 eradication, which probably is well above anything we could
8 afford, or you end up, you know, going with that as a
9 surface dirt property with some light uses on it that don't
10 put a lot of weight on the cap.

11 So we'll post that. They'll come to the next
12 meeting and kind of update it, but I know a lot of people
13 were eager to hear the results. And we'll get that passed
14 around to everybody as soon as the report is final.

15 You're probably all aware and following the
16 county bond advisory committee's recommendations. Those are
17 done and have been submitted or will be submitted shortly to
18 the board of supervisors.

19 The bond advisory committee's recommendations
20 that will go to the supervisors and were approved at the
21 meeting a week ago Friday total \$653,000,264. That's in
22 every jurisdiction in every part of the county. It's broken
23 into kind of five major categories from libraries to museums
24 to history, cultural and natural area, parks and rec,
25 different town proposals, neighborhood reinvestment, health,

1 juvenile, law enforcement, flood control, job growth,
2 education and workforce training.

3 One of the things that I'm pleased with since
4 I've been on the board, we've been very eager to partner
5 with other jurisdictions as our money tightens up and I
6 think you will all be pleased to know that there are
7 significant dollars in the county bond proposal that benefit
8 downtown.

9 One of the projects we talked about is the old
10 Pima County courthouse. That would include the January 8th
11 memorial. That's been advanced at \$25 million.

12 The Southern Arizona Regional Orientation Center,
13 this has also been referred to as the visitor center, that
14 would go on the west side, city-owned property immediately
15 on the other side of the Gutierrez Bridge, the city's
16 working toward deeding that five-acres over to the county.
17 The county would build and subcontract out the operation of
18 a new visitor center. That's in the bond package at
19 \$18 million.

20 Something that's near and dear to us and
21 adjacent, of course, to our TCC complex, they are advancing
22 to the board of supervisors \$23,500,000 for what they call
23 downtown community theaters and historic landscape. And
24 that is specifically the symphony hall, the Leo Rich and the
25 plaza associated with the buildings north of us at the TCC.

1 So part of the criticism of this package is that
2 it does not have any road money. And I can tell you that
3 the board of supervisors will be entertaining this probably
4 throughout the month of April with a likely vote on the
5 package toward the end of the month.

6 What happens now is the -- the bond advisory
7 committee is done. It will be referred to the sups. The
8 bond advisory committee chairman will send the packet and a
9 letter, and then the supervisors can do whatever they want
10 to with it. They can approve it and advance it to a bond
11 election in November, they can tweak it, take it up, take it
12 down, add projects, take away projects. They can increase
13 it.

14 We do know that they're operating under a
15 self-imposed secondary property tax limit, so, you know,
16 that's the reason these numbers have kind of stayed around
17 the 650 million dollar number we've heard for a year. I
18 think there's a lot of challenges from the business
19 community about the lack of road dollars.

20 So we'll continue to watch this. I'm not asking
21 for the Rio Nuevo board to do anything officially, but, you
22 know, there's 50, 70, \$80 million of downtown investment if
23 this bond continues to advance. One of the things you'll
24 see later on in our agenda is that we've been asked formally
25 now by the county to participate in the TCC and adjacent

1 area renovations.

2 A final note, I guess it seems to be an issue
3 that just won't go away. We did in the last meeting approve
4 a small investment in the January 8th Memorial. Counsel has
5 continued to advise us that in their belief we are exempt
6 from the gift clause. It's an issue I will tell you that
7 does not go away gently into the night. The only way to
8 permanently resolve that is to have someone from the
9 legislature request an AG opinion.

10 I've initiated that myself, the chairman's
11 prerogative, and I asked legislative leadership if they
12 would so formally request that of the attorney general. So,
13 you know, we can finally put the issue to rest one way or
14 the other whether or not the attorney general agrees with
15 counsel that Rio Nuevo's exempt from the gift clause.

16 And with that, we'll try and get through -- sorry
17 we're a little late, but if you'll notice on the executive
18 session, there's a lot of legal stuff going on with us right
19 now, agreements as it relates to many projects that go
20 between us, the city and private enterprise. We hope that
21 we can kick off a lot of those today and close on some of
22 the things that have been up in the air over the last
23 several months.

24 And Pat and Bill, we're going to move you guys up
25 so that you don't have to hang around all day long, so let's

1 get the financial report in.

2 MR. MEYERS: Hi. I'm Dan Meyers, the CFO of Rio
3 Nuevo.

4 So our cash balances at the end of February are
5 as follows: Our Alliance Bank account which most of our
6 operations come from is 2.167 million. The Alliance Bank
7 ICS account, the money just sits there and accumulates some
8 interest, a little over 5 million, and Bank of Tucson,
9 413.000.

10 We also have our pooled funds with City of
11 Tucson, approximately 75,000. I've asked that these funds
12 be released to pay for some retention we've been -- for
13 Concord. These are -- these funds are only available for
14 specific uses and we can kind of clean that account out and
15 be done with it and the city's looking into it. I should
16 hear something by the end of the week.

17 So total cash on hand is 7.6 million
18 approximately. We got \$520,000 in TIF revenues in
19 December -- for December. We received those a couple weeks
20 ago. That's a little disappointing. We try to have 825,000
21 a month as our goal, but November was really good. And I
22 noticed when I reviewed the information from the state that
23 there were some fairly significant late filing people that
24 will receive those funds in January, so it's probably not as
25 dismal as it appears.

1 Outstanding commitments, Mission Gardens still
2 have a budget of 1.1 million; the garage at the AC Marriott
3 Hotel, 4.29 million remaining. That's still scheduled for
4 2016; streetscapes, 750,000, and remaining cash to be
5 outlaid for the TCC arena remodeling is about \$720,000;
6 total commitments, 6.8 million. So that leaves us about
7 800,000, but then keep in mind a big chunk of that
8 commitment is not going to happen until 2016.

9 CHAIRMAN McCUSKER: Mark, what's the latest on
10 the AC Hotel and the ground breaking?

11 MR. IRVIN: Still scheduled to start their work
12 in May. They've got some archeological things that they
13 have to do first and probably break ground shortly
14 thereafter.

15 CHAIRMAN McCUSKER: Eighteen-month, two-year kind
16 of thing?

17 MR. IRVIN: Yeah, about 18 months.

18 CHAIRMAN McCUSKER: Any questions for Dan?

19 MR. IRVIN: Just one.

20 Dan, I noticed that the Rialto still owes us for
21 March.

22 Is that current as of today?

23 MR. MEYERS: We've not received the March payment
24 yet. They're always a little lagging behind, but they're
25 all -- they -- they come up with it.

1 MR. IRVIN: Thanks.

2 MR. MEYERS: Anything else?

3 MR. RITCHIE: Fletcher asked me earlier about the
4 golf tournament. Can you tell us how your team did in the
5 Pro-Am?

6 MR. MEYERS: Well, without any of my help, our
7 team won, so -- I had good partners, which is the most
8 important thing.

9 Thank you.

10 CHAIRMAN McCUSKER: Okay. We'll move Nor-Gen up.
11 Elaine, if you'll bear with us for a minute,
12 we'll move item number 11 up.

13 Mr. Collins.

14 MR. COLLINS: Yes. Mr. Chairman, members of the
15 ward, as you are all well aware, Nor-Generations, LLC, was
16 the successful proposer and we have -- you have entered into
17 an agreement for the sale of the arena parcel.

18 That sale is part of or as a result of the
19 settlement agreement, which is how you took title. The
20 buyer, Nor-Gen, is doing its due diligence and going through
21 that process. And in -- in -- in so doing, their counsel
22 has prepared an estoppel certificate and agreement which
23 Nor-Gen wants the district and the city to be involved in.

24 What it deals with is an attempt to clarify
25 and -- and put some structure on a portion of the settlement

1 agreement.

2 As you will recall, when you -- when you, the
3 district, took title to the property, it was subject to the
4 following: Rio Nuevo shall not disturb the Greyhound
5 tenancy under the existing lease other than upon the
6 occurrence of both, A, final approval by the city of the
7 development plan for the arena site and, B, not less than
8 one year's prior written notice by Rio Nuevo to the city and
9 to Greyhound.

10 The estoppel certificate and agreement was
11 drafted by counsel for -- for Nor-Gen, Pat Lopez, who is
12 here. It has been provided to the city. I've discussed it
13 with you in executive session. And that's where we are with
14 the arena site.

15 You -- you can today elect to do nothing with
16 respect to this, you can choose to instruct me to work --
17 continue to work with Pat Lopez and Mike Rankin in
18 accordance with the instructions that you provided me in
19 executives session.

20 CHAIRMAN McCUSKER: The estoppel's a tri-party
21 agreement, right?

22 MR. COLLINS: As drafted, yes, Mr. Chairman.

23 MS. COX: Mr. Chairman, I move that we ask
24 Mr. Collins to continue the negotiations with Mr. Lopez and
25 Mr. Rankin and that the executive committee --

1 MR. SHEAFE: Executive officers.

2 MR. IRVIN: Executive officers.

3 MS. COX: Executive officers, excuse me, approve
4 the final agreement.

5 MR. SHEAFE: Are authorized to approve.

6 MS. COX: Are authorized to approve the final
7 agreement.

8 MR. IRVIN: Second.

9 CHAIRMAN McCUSKER: Everyone understand the
10 motion?

11 Mr. Lopez, does it give your agreement justice do
12 you think?

13 MR. LOPEZ: I think Mr. Collins did an excellent
14 job and I have nothing to add but would be happy to answer
15 any questions.

16 CHAIRMAN McCUSKER: Any questions for Pat?

17 MR. HILL: Mr. Chairman, in hearing the
18 discussions and perhaps some trepidation on our part given
19 it's a tri-party agreement, is there any concern with your
20 side that by delaying this today that we're putting the
21 project in your position behind the proverbial eight ball or
22 have the city play politics or would you rather see us move
23 the adoption of this today?

24 MR. LOPEZ: Well, I certainly would rather see
25 you move the adoption of it today, but I can understand that

1 we have to engage with the city to make sure that they're
2 comfortable with the agreement. And that might require some
3 changes in the language. And since it is a tri-party
4 agreement, I'm sure that you would want to have the
5 opportunity to review and approve any of those changes and
6 have Mr. Collins have an opportunity to have input, so I
7 understand that.

8 We're running up against a deadline for
9 presenting any objections that we have to the title
10 commitment although we have already provided those
11 objections, so we're ahead of schedule on that. They've
12 been provided to you in writing. This addresses one of
13 those objections. And I think the agreement does give us a
14 little flexibility if we need more time to resolve that
15 beyond the deadline. And we can talk about that.

16 I don't think we're going to have a problem
17 resolving this, but we want to be ahead of schedule. We
18 want to -- we're here with you now because we didn't want to
19 file an objection on the last day that we could file an
20 objection and then present you an agreement, you know, a
21 week later and then come in and ask you to work with us. We
22 want to make sure that we're -- we're moving ahead and
23 getting this done. And I think we're doing that.

24 MR. SHEAFE: Well, Mr. Chairman, I will support
25 this motion made by Jannie for the very reason that, if, as

1 you're saying, that you guys work this thing out, then we
2 have the executive officers ready to approve it right away
3 and we don't have to wait for another public meeting, so
4 we're doing our part to try and extend this as rapidly as
5 possible.

6 MR. LOPEZ: I greatly appreciate that.

7 And might I add just as I think about it, if you
8 could authorize the executive officers to extend the title
9 review period, if necessary, not because I expect any
10 problems.

11 MR. IRVIN: It's not agendized. I don't think we
12 can address it.

13 MR. LOPEZ: You're right, but keep that in --

14 MR. IRVIN: Good try.

15 MR. LOPEZ: Keep that in mind down the road
16 because we're going to be basically at the city's mercy and
17 on their schedule.

18 CHAIRMAN McCUSKER: Okay. So the motion is to
19 allow Mr. Collins and Mr. Lopez to continue to work with
20 Mr. Rankin to finalize the estoppel agreement.

21 Any other questions?

22 (No oral response).

23 CHAIRMAN McCUSKER: All in favor say aye.

24 (Board votes five-zero to pass the motion.)

25 CHAIRMAN McCUSKER: Any opposed, nay.

1 MR. RITCHIE: I have to recuse myself.

2 CHAIRMAN McCUSKER: That's right. You are in
3 fact recused, so make that note, please. So five-zero, one
4 recusal.

5 Thank you, gentlemen.

6 MR. LOPEZ: Thank you.

7 CHAIRMAN McCUSKER: Elaine, we'll move back to
8 item number seven. This is the finalization of phase one
9 and any remaining contingencies or unfinished work. And
10 we're closing in on the end of this project.

11 Elaine.

12 MS. BECHERER: Good afternoon. Elaine Becherer,
13 project manager for the Rio Nuevo TCC arena renovation.

14 What I passed out earlier is to follow up on the
15 direction that you gave me at the January meeting, and so
16 it's a one-page summary of the remaining contingency funds.

17 And just to walk through it briefly --

18 CHAIRMAN McCUSKER: And there's some on the
19 table, right --

20 MS. BECHERER: Yes.

21 CHAIRMAN McCUSKER: -- if anybody wants to follow
22 along?

23 MS. BECHERER: So through the owner's
24 contingency, through a refund through the general
25 contractor's contingency, overall within the \$7.8 million

1 project, we have \$97,000 contingency left, and so what I've
2 done is I've prioritized all of the outstanding
3 miscellaneous items.

4 The first list is titled "Immediate Needs." And
5 it's some additional signs that are needed, a couple of door
6 sweeps and overhead stops for the new doors in the breezeway
7 going down through -- a control joint is needed at the epoxy
8 in the breezeway, some corner guards in one of the
9 vestibules at the restroom. Some patch cables are needed
10 for the new power equipment and sound equipment.

11 And then going through to -- the last four are --
12 the last three, pardon me, the concrete walls on the
13 concourse level are -- there's a lot of wear and tear on
14 them due to just high traffic area, and so we're proposing
15 to add a wainscot along those walls that would further
16 protect the paint, and so it would just be a better solution
17 for maintenance.

18 And then the two existing roll-up doors, they
19 need some repair. And that will help to seal in the
20 building envelope and secure not only the new equipment but
21 just energy savings, things like that.

22 So all of those items total 85,000, so we have
23 the funds to pay for all of those.

24 Item B are three high priority needs. We've
25 talked over the duration of the project regarding turning

1 the south end of the concourse level into a VIP area. Some
2 table tops and bar tops would be needed.

3 The project did not provide all new drinking
4 fountains in the arena, but if we could do that, it would
5 add to the fan experience. And just in terms of some of
6 them are the original drinking fountains, they're old and
7 dated.

8 MR. SHEAFE: Is that a spelling error where it
9 says foundations?

10 MS. BECHERER: It is a spelling error. Thank
11 you.

12 MR. SHEAFE: So --

13 MS. BECHERER: Yes.

14 MR. SHEAFE: I don't mean to point it out.

15 MS. BECHERER: Drinking foundations. Pardon me.
16 That's --

17 MR. SHEAFE: That's okay. I just --

18 MS. BECHERER: Yeah.

19 MR. SHEAFE: -- wanted to make sure that it
20 wasn't building a base for a fountain.

21 MS. BECHERER: Yeah. It should be new drinking
22 fountains.

23 MR. IRVIN: You're on a roll today, Chris.

24 MS. BECHERER: Thank you, Mr. Sheafe.

25 And then the third item is additional trash

1 recycle stations. The project did purchase some of those,
2 but more are needed just to add to the consistency of the
3 new design.

4 Those three items equal 63,000. So if we take
5 the remaining balance when you subtract 85,000 from 97,000,
6 there's 12,000 left. So if your desire is to address the
7 high priority needs, the project would need an additional
8 \$51,000 to also include the high priority needs.

9 And then item C is what I presented in January
10 regarding the solution for the handrails and the stair
11 nosing. So over the past month what we've done is we've
12 looked at the paint as well as the abrasive tape and it has
13 been determined in coordination with the design team and SMG
14 that really the preferred method is to go with the tape, and
15 so we currently have some mock-ups on the colors and the --
16 the grit of the nosing. In addition to the stairs -- the
17 handrails, that would be \$150,000.

18 So the three action items, at a minimum, one
19 would be to move -- the \$97,000 that's already in the
20 project budget, move it into a change order to authorize
21 Concord to expend those funds. Again, it's not in addition
22 to. It's just a formality.

23 And then item two and three would be a true
24 change order. So one would be a change order for the 51,000
25 if you desire to address not only the immediate needs but

1 the priority needs, and then item three would be the change
2 order for the handrails. So in total it would be a change
3 order for \$201,000.

4 CHAIRMAN McCUSKER: 201,277.03.

5 MS. BECHERER: Yes. And that -- I would like to
6 note that that is the first official change order that would
7 increase the project budget from 7.8. So over the entire
8 duration, we started construction a year ago March 10th, I
9 will forever remember that date because I was married on the
10 15th of March, and we have not exceeded the project budget
11 throughout the entire project.

12 CHAIRMAN McCUSKER: Mr. Irvin.

13 MR. IRVIN: First off, you did get married
14 without our permission. We wanted to make sure you
15 remembered that as well.

16 MS. BECHERER: I will always remember that.

17 MR. SHEAFE: That's just kind of a little inside
18 joke.

19 So, first of all, you've done a great job with
20 this project. I -- I have not been one that's been overly
21 excited about these handrails because I just kind of figure
22 we didn't need them because we've never had them. But after
23 watching the Beach Boys concert and then after having a
24 friend of mine attend a hockey game, as you recall, and
25 couldn't make it down those stairs, I think it's a very good

1 expense for us to do. So I would actually like to make a
2 motion that we move on all three of those items.

3 MS. COX: Second.

4 CHAIRMAN McCUSKER: The motion would be --

5 MR. IRVIN: Oh-oh. Look at our attorney. He's
6 making faces at us.

7 CHAIRMAN McCUSKER: I think we need to deal with
8 the contingency funds first, so let's table that motion,
9 Mark, with your permission.

10 MR. IRVIN: That's fine.

11 CHAIRMAN McCUSKER: And we need to authorize the
12 85,693.92.

13 MR. SHEAFE: I think -- don't you need to
14 authorize moving the 97,995 to expenditures?

15 CHAIRMAN McCUSKER: Is that correct, Elaine? We
16 authorize the whole contingency funds to --

17 Well, if you don't do anything with the
18 contingency funds, it would -- 12,000 would stay in the
19 bank.

20 MR. IRVIN: Correct, so you would have 12,000
21 left.

22 MS. BECHERER: I think it would -- in terms of --
23 you know, right now there's five stainless steel corner
24 guards. If you authorize the use of the full \$97,000, then,
25 if we need 10, we have that additional funding. We don't

1 have to come back.

2 If it's your pleasure to use all of the funding
3 that's currently in the budget, then it would make sense to
4 authorize use of the full 97,000 for the contingency, not
5 just the 85.

6 MR. COLLINS: Yes. Mr. Chairman, members of the
7 board, what we've got agendized for today is what to do with
8 the contingency fund, which is the 97 that Elaine has been
9 talking to you about. I would like to see, if it's your
10 pleasure, to have a motion to do whatever it is you decide
11 to do with that contingency fund.

12 If there is a desire to go forward, as
13 Mr. Irvin's motion contemplates, with the rest of -- two and
14 three on the action items, then what we could do is you
15 could direct the preparation of the appropriate documents to
16 do two and three and we can bring them back to you for final
17 approval. That would fit within the agenda.

18 MR. IRVIN: You should just make that motion. I
19 could just say me, too.

20 CHAIRMAN McCUSKER: Okay. So let's deal with A
21 first, the contingency funds.

22 MR. SHEAFE: Let's move that the contingency fund
23 be authorized for expense in the full amount of 97,995.89.

24 MS. COX: Second.

25 CHAIRMAN McCUSKER: All in favor say aye.

1 (Motion made, seconded and carried unanimously)

2 CHAIRMAN McCUSKER: Okay. So are you saying that
3 we have not agendized any additional expenditure for phase
4 one of the TCC?

5 MR. COLLINS: Correct. However, this is in
6 connection -- at a previous meeting, Elaine -- there was
7 discussion about --

8 CHAIRMAN McCUSKER: Any remaining phase one
9 funds -- any remaining phase one funds, so these would be
10 new funds.

11 MR. COLLINS: These would be new funds.

12 CHAIRMAN McCUSKER: Identified during the
13 improvement phase including the installation of hand or
14 guard rails?

15 MR. COLLINS: Right.

16 CHAIRMAN McCUSKER: But the catch there is
17 utilize any remaining phase one funds.

18 MR. COLLINS: Right. And so these are extra
19 funds. If -- you know, I'm comfortable if Mr. Irvin's
20 motion is now brought back forward, but we need to -- I need
21 to be able to prepare the documents and bring them back to
22 you for final approval.

23 MR. IRVIN: So you would like to see a motion to
24 move forward to instruct you to prepare documents and bring
25 it back to us for approval?

1 MR. COLLINS: Yes, on items two and three on what
2 you have in front of you.

3 CHAIRMAN McCUSKER: A couple of other questions
4 since this is now beyond the scope of our original
5 agreement.

6 Any procurement issues with this or would it have
7 to be bid or -- you know, does it fit within the Concord --
8 the current Concord contract?

9 MR. COLLINS: The numbers are such that I'm not
10 familiar with what makes up the 51,277.03 or specifically
11 who would be doing the work, but if it's Concord -- okay.
12 If it's Concord, you can direct select. And those numbers
13 are underneath the Title 34. So I believe you can go ahead
14 and we can prepare the documents necessary if you desired to
15 do that.

16 CHAIRMAN McCUSKER: And how about the handrails,
17 too, 150? Is that underneath a competitive bid?

18 MR. COLLINS: Yes, it is. It's a direct
19 selection. 250 roughly speaking is your -- is your Title
20 34.

21 CHAIRMAN McCUSKER: What exactly action can we
22 take today since --

23 MR. COLLINS: You can instruct the preparation of
24 the documents necessary to accomplish what Mr. Irvin asked
25 and I can bring it back to you at the next meeting for

1 approval.

2 CHAIRMAN McCUSKER: There's no motion or really
3 vote?

4 MR. COLLINS: Well, Mr. Irvin's motion, I think,
5 does it.

6 MR. IRVIN: Right.

7 MR. COLLINS: Mr. Irvin's motion --

8 CHAIRMAN McCUSKER: We all still reserve the
9 right to vote against it?

10 MR. COLLINS: Yes, absolutely. Absolutely.
11 That's -- because we didn't agendize additional things in
12 phase one. And that's why the first motion works, I
13 believe.

14 The second motion, as Elaine has mentioned
15 earlier, she was instructed to find out what it cost for the
16 guardrails. I don't know what everybody was thinking at the
17 time, but I certainly had the concept that maybe guardrails
18 could be done for the contingency.

19 Well, it's clear that's not going to happen, but
20 the way the agenda is written, you can instruct staff and
21 counsel to put together the documents necessary to bring it
22 back to you which we'll have agendized in the next meeting
23 and you can vote yea or nay.

24 MR. IRVIN: So moved.

25 CHAIRMAN McCUSKER: Does that create a problem

1 for Concord if it's a month or six weeks away?

2 MS. BECHERER: No, it doesn't create a problem.

3 I do just want to note for the record that -- so the
4 \$150,000 for the handrails, that includes one month of
5 general conditions because it will extend Concord's site
6 presence. The goal with completing all of the contingency
7 items, item A and B, those need to take place at the same
8 time so that the project -- so that you are not paying for
9 two months of general conditions.

10 So all of this work, items A, B and C, will be
11 done over one month and we will coordinate that with SMG and
12 make sure that all of our ducks are in a row. We also don't
13 want to cancel any, you know existing, event. We have to
14 work around their -- their schedule, so -- I just wanted to
15 note that.

16 MR. IRVIN: Did you second that, Jannie?

17 MS. COX: I did.

18 CHAIRMAN McCUSKER: So Mr. Irvin's motion, Mark,
19 is to just ask you to bring back to us the paperwork that
20 would allow us to consider this at a later date.

21 MR. COLLINS: Correct. We did not agendize this
22 additional expenditure in phase one.

23 CHAIRMAN McCUSKER: Mr. Hill.

24 MR. HILL: Mr. Chairman, discussion.

25 She mentioned the five stainless corner guards

1 could become 10. And since we've approved the 97,000,
2 theoretically they could eat up the 12,000.

3 My observation on the high priority needs, two of
4 the three are not fixed or permanent improvements and I
5 think should be the tenant's responsibility. It seems to me
6 that the 12,000 additional money -- I would not be opposed
7 to incorporating the new drinking fountains, that that could
8 be included in group A since that is a capital improvement,
9 which is our mandate, and let them wrestle with that rather
10 than having the open-ended 12,000 or consume the --
11 somewhere in the middle without -- I guess without us
12 knowing. That way at least we would know that the entire
13 97,000 would have the capital needs to complete the project.
14 It would not require us to vote additional monies for
15 additional projects, particularly those that are not of a
16 capital nature.

17 CHAIRMAN McCUSKER: Elaine, will the drinking
18 fountains come in under 12 grand? Do you understand what
19 Mr. Hill's saying?

20 MS. BECHERER: I do, yes, Mr. Chairman.

21 So the drinking fountains are \$17,550, so we
22 could probably -- it's a difference of \$5,000. You know, we
23 can try to -- we might be one short or something like that,
24 but --

25 MR. HILL: Well, Mr. Chairman, with that

1 information, I'd make a substitute motion that we include
2 the drinking fountains in list A --

3 MS. BECHERER: Okay.

4 MR. HILL: -- to the previous motion that we
5 approve the 97,000.

6 CHAIRMAN McCUSKER: And go as far as they can?

7 MR. HILL: Yes, Mr. Chairman.

8 CHAIRMAN McCUSKER: That would need a second.

9 MR. SHEAFE: Second.

10 CHAIRMAN McCUSKER: Any further discussion?

11 (No oral response).

12 CHAIRMAN McCUSKER: So the motion would authorize
13 85,693 to go to list A and it would move the drinking
14 fountains from list B to list A. And that would expend our
15 contingency -- deplete our contingency entirely.

16 MS. BECHERER: And then can you clarify what the
17 motion -- or what I will be preparing for next month
18 regarding the remaining items --

19 CHAIRMAN McCUSKER: We're going to get to that in
20 a minute. Let's get the money moved, though.

21 MS. BECHERER: Okay.

22 CHAIRMAN McCUSKER: All in favor say aye.

23 (Motion made, seconded and carried unanimously)

24 CHAIRMAN McCUSKER: Okay. So -- and this is the
25 tricky piece with this not being properly agendized. I

1 don't want to look like we're slam dunking anything here.
2 Maybe we just table the whole darn thing and -- since it's
3 got to come back next month anyhow and we properly agendize
4 the conversation.

5 MR. COLLINS: Well, you can -- you can certainly
6 do that. I mean, this is -- the agenda was for the
7 contingency fund.

8 CHAIRMAN McCUSKER: Right. We're following you.

9 MR. COLLINS: All right.

10 CHAIRMAN McCUSKER: You know, our project
11 manager -- and I think we all agree that we need to do
12 something regarding the handrails and some of the other
13 issues. Mr. Hill has raised a very appropriate point. Some
14 of this is moveable equipment, not fixed, which may not be
15 our highest and best use of funds, so I would suggest we
16 just table the whole thing.

17 MR. HILL: Second.

18 I'll make a motion, Mr. Chairman, to table --

19 CHAIRMAN McCUSKER: I need a second.

20 MS. COX: Second.

21 CHAIRMAN McCUSKER: All in favor of tabling this
22 until next month say aye.

23 (Motion made, seconded and carried unanimously)

24 CHAIRMAN McCUSKER: All right. We'll just make
25 sure we get it properly done.

1 MS. BECHERER: Thank you very much.

2 CHAIRMAN McCUSKER: Thank you, Elaine. You did a
3 great job. We get to see you again then.

4 MS. BECHERER: Yes.

5 And, you know, I meant to start with this, but
6 even better to close.

7 So earlier in the month, the project received for
8 Southern Arizona the American Public Works project of the
9 year for projects larger than 5 million, which is a huge
10 win.

11 And then just earlier -- late last week, we were
12 informed that not only did we win for Southern Arizona, but
13 the project won for the state of Arizona as the project of
14 the year for the American Public Works Association.

15 And now it will be put into -- now it will be put
16 into the pool at the national level, so --

17 MR. HILL: Mr. Chairman, as a point of
18 observation, can we have that information placed on our web
19 site? We have so many nay sayers that --

20 CHAIRMAN McCUSKER: Michele, didn't we put the
21 letter on the website?

22 MS. BETTINI: Yes.

23 MR. HILL: And any other publicity we have, I
24 think that's a positive spin on the district that has
25 certainly over the years has not had a lot of positive

1 publicity, so let's grab the opportunity.

2 MS. BECHERER: Yes. Mr. Hill, we're coordinating
3 with Michele to put it -- even the new news that it won at
4 the state level, so thank you.

5 CHAIRMAN McCUSKER: All right, Elaine. We get to
6 see you in April.

7 MS. BECHERER: Okay.

8 CHAIRMAN McCUSKER: Phase two.

9 Phil, to refresh your memory, we have been
10 discussing a phase two primarily focused in the exhibition
11 hall space.

12 We've given Phil a small contract to help us
13 identify the scope which he's been working diligently on.
14 He has a proposal in front of you that would really begin to
15 identify the nature of the scope and include actual cost
16 estimates.

17 So, Mr. Swaim, do you want to walk through your
18 current status?

19 MR. SWAIM: Thank you, Mr. McCusker.

20 Phil Swaim with Swaim Associates Architects, 7350
21 East Speedway.

22 With the success of the TCC arena renovation,
23 it's sort of exposing some of the challenges or the
24 shortcomings, maybe, of the -- of the rest of our facilities
25 there at the TCC, so the -- so the goal is to be able to now

1 dive in and start looking at the exhibition hall, the
2 meetings rooms, the ball rooms, the locker room and dressing
3 room facilities among others and see what we can do to be
4 able to bring those up to the same sort of standards and
5 success.

6 We've already started some conversations to be
7 able to come up with the initial list of the scope for this
8 predesign phase by having conversations with a few of your
9 own board members, with SMG, with Visit Tucson, operators of
10 the gem show, U of A hockey, other members of the community,
11 the El Tour De Tucson and others as well, all the other
12 users and stakeholders to see what -- what really values and
13 can make them more successful as well.

14 We're even starting to take a look at -- at other
15 developments including Nor-Gen and others downtown to see
16 how -- how the TCC can really support -- can support the
17 best role here in the community.

18 We're -- we're getting -- we're getting our
19 engineers involved, not just mechanical, electrical as -- as
20 we did in the past but with communications, structural,
21 civil engineers on a couple of these items to -- to really
22 come up with the best analysis of the needs and priorities
23 as well as we have a cost estimator on board to be able to
24 develop estimates of these components.

25 So the goal is to be able to then -- in May to be

1 able to come back to you with options of packages that you
2 would then have the opportunity to be able to review and
3 determine how to be able to move forward.

4 The -- one of the -- I think you have a fee
5 proposal in front of you. And actually the good news is we
6 were able to revise that over the weekend. And, of course,
7 I think when I submitted that to -- to Mark and Fletcher
8 yesterday, it was too late to get in your packet, but it's
9 actually been reduced by a little over \$14,000, so, again,
10 more money that we'd rather see going into bricks and mortar
11 as we move forward so that the --

12 CHAIRMAN McCUSKER: Do you have a copy of the new
13 proposal?

14 MR. SWAIM: I do have that --

15 CHAIRMAN McCUSKER: Do you have five -- six of
16 them?

17 MR. SWAIM: I do not at this point.

18 CHAIRMAN McCUSKER: Okay. Will you just walk
19 through each category then?

20 MR. SWAIM: So the -- out of those five
21 categories of engineers, the Swain Associates proposal is
22 the same at 38,000. Structural is the same at 21, the
23 mechanical, electrical, communications has been reduced to
24 25,287, civil engineering has been reduced to 10,575, and
25 the cost estimating has stayed the same for a total of

1 \$83,270.

2 CHAIRMAN McCUSKER: We went through a similar
3 process with phase one in the arena. We kind of developed a
4 wish list. We gave it to the architects. They invited
5 their engineers and cost estimators to kind of go through
6 the list and scope for us what it would cost to do
7 everything on the list. At that point then, we know we're
8 not going to have the money to do everything on this list.
9 We're going to have to prioritize for you what you actually
10 then work on, draw, budget and ultimately solicit bids for.

11 MR. SWAIM: Absolutely.

12 CHAIRMAN McCUSKER: Am I missing anything?

13 How long does that take to do?

14 MR. SWAIM: Our goal is to be able to come back
15 to you with this predesign phase with cost estimates for all
16 these components in May, so then at that point, you can
17 determine what scope you would like to be able to proceed
18 with that point. And depending upon that scope, we -- we
19 would then proceed forward to go ahead and complete
20 construction documents and get that built.

21 CHAIRMAN McCUSKER: And, Mr. Collins, this is a
22 professional services contract; right? So --

23 MR. COLLINS: Correct.

24 CHAIRMAN McCUSKER: Okay. What's your pleasure?
25 The new proposal is for \$83,270 even.

1 MR. COLLINS: Mr. Chairman, members of the board,
2 depending on what you elect to do and choose to do, what you
3 could do is direct the preparation of the appropriate
4 amendment to the existing contract that you have with
5 Mr. Swaim's outfit. And we could do that and bring that
6 back to you for final approval.

7 MR. IRVIN: I'd like to make a motion we do just
8 that.

9 MS. COX: Second.

10 CHAIRMAN McCUSKER: Anybody need to discuss this?

11 We're authorizing an amendment to Swaim
12 Associate's current contract to include the 83,270 dollar
13 increase. And you'll come back in May, hopefully, to
14 present that to us.

15 All in favor say aye.

16 (Motion made, seconded and carried unanimously)

17 CHAIRMAN McCUSKER: Phil, thanks for all your
18 hard work.

19 MR. SWAIM: Thank you.

20 CHAIRMAN McCUSKER: When talking about the TCC, I
21 mentioned in my chairman's remarks, this is item number nine
22 on the agenda, the city has scoped the renovations they
23 believe are required to the symphony hall, to the plaza and
24 to Leo Rich at some \$30 million. The bond package has
25 advanced roughly 23 million of that. It appears to everyone

1 involved in that complex that that might be short of doing
2 the kind of job we all would like to see done, so it's been
3 specifically suggested that Rio Nuevo may want to choose to
4 participate in the renovation of the symphony hall, the
5 plaza and Leo Rich Theater.

6 These are not Rio Nuevo owned facilities unlike
7 the TCC, they're city owned, but clearly part and parcel to
8 the challenges we have with the whole complex, they're very
9 dated and in fact we are losing customers rapidly because of
10 the inadequacy, particularly of the symphony hall.

11 No amount has been requested of us, but I thought
12 I'd put it on the agenda for you to begin to think about if
13 that's something we would be willing to at least entertain.

14 MR. IRVIN: Mr. Chairman, my -- my concern with
15 it is, you know, not knowing yet where we are with a couple
16 of things. You know, we don't have the Rialto sale wrapped
17 up. We don't have Nor-Gen's sale wrapped up. We're still
18 in phase two exploration of the TCC.

19 As much as I think that, you know, the symphony
20 hall and Leo Rich needs some serious attention, it's kind of
21 hard for me to support them given that it's not things that
22 we own and given some of the other things that I think are,
23 in my opinion, probably a higher priority. That's just my
24 take on it.

25 CHAIRMAN McCUSKER: We're not asked to take any

1 official action. We haven't seen any kind of budget or
2 scope, but, you know, we can say no or we can say maybe, you
3 know, subject to some context of the rest of our projects.

4 MR. IRVIN: I just want to hear more about it.
5 I'm not saying definitely no, but I just don't know enough
6 about it yet to even look at it. Again, my biggest concern
7 is I don't know with these other two things where we are
8 with those. Right now I'm really focused on the TCC.

9 CHAIRMAN McCUSKER: I think that the point you've
10 raised, which would be a good exercise for us given the
11 current demands on our attention, would be to maybe identify
12 all of our projects, do a capital plan to make certain we
13 can fund the west side, the TCC, you know, whatever else
14 that we're doing. And it's clear that we couldn't do all of
15 those and do anything at the symphony hall and at the arena.

16 We'll try and get them to maybe better scope this
17 and we'll entertain it in the context of everything else
18 that we're looking at.

19 MS. COX: Mr. Chairman, are you saying we should
20 consider putting money into the renovation of symphony hall
21 and Leo Rich or that because we don't own them, do we want
22 them, the city, to --

23 CHAIRMAN McCUSKER: Well, we didn't get into the
24 details. The -- if the bond package advances as it's
25 currently suggested, they'll have \$23 million.

1 MS. COX: Right.

2 CHAIRMAN McCUSKER: The initial scope of the
3 initial bond request I think, Elaine, was \$34 million, so
4 they've whittled it down like they did with many of the
5 projects, so the city's going to have to value engineer what
6 they can do if in fact the bond money passes.

7 I think that most of the people I know that are
8 involved in that project, both city, county and private
9 people we know that are concerned about that from the
10 symphony to the ballet, would like to see a state of the art
11 facility.

12 MS. COX: Of course.

13 CHAIRMAN McCUSKER: It's been suggested that, you
14 know, Rio Nuevo could play a hand, partner with, contribute
15 with somehow that -- that facility.

16 I have to agree absolutely with Mr. Irvin that to
17 discuss that in the context of what else we're doing means
18 at this point we would have to shift funds, which I don't
19 think any of us would agree to, or we would have to be able
20 to identify, you know, where the capital is and where it's
21 coming from.

22 This is several years out. You know, the bond
23 package would be November, the funding would be sometime in
24 '16. You know, they wouldn't even be into a project
25 probably until '17 or '18. But I think the people that are

1 planning for the symphony are concerned that 20 million
2 bucks in this package is not going to go very far.

3 MR. HILL: Mr. Chairman.

4 CHAIRMAN McCUSKER: Mr. Hill.

5 MR. HILL: You mentioned a capital plan. I
6 thought that's an excellent idea. Do you need a motion to
7 direct something like that?

8 CHAIRMAN McCUSKER: I don't know that we do. I
9 mean, we certainly have the prerogative to budget ourselves
10 any time we want to, Mr. Collins, agendize that and do it in
11 a public meeting.

12 MR. COLLINS: Yeah, you -- that's the way to do
13 it, but -- I believe you do have inherent authority to do
14 that, but I don't think we have it agendized for today to do
15 that motion.

16 MR. HILL: Thank you, Mr. Chairman. I think
17 that's --

18 CHAIRMAN McCUSKER: We'll put that on a
19 subsequent agenda.

20 MR. HILL: All right.

21 CHAIRMAN McCUSKER: Streetscape.

22 Mr. Collins, tell me were done with the
23 streetscape.

24 MR. COLLINS: Well, that's up to you folks.

25 Just to refresh everyone's recollection, mostly

1 for the audience, in the settlement agreement with the City
2 of Tucson, paragraph 12 deals with an obligation that the
3 district undertook to commit \$750,000 to city approved
4 streetscape improvements. And at the last meeting, I was
5 directed to work with the city to create an agreement that
6 would fulfill the district's streetscape obligation under
7 the settlement agreement in an efficient manner that
8 complies with Title 34 and our procurement code, the
9 district's procurement code.

10 With -- working with Mike Rankin and Chris
11 Schmaltz of my office, that agreement is what we discussed
12 in executive session. It addresses the district's
13 obligation under the settlement agreement to comply with --
14 or to expend \$750,000. It does it in a way that satisfies
15 Title 34 and the procurement code.

16 So the city -- I don't believe mayor and council
17 has approved it yet, but I'm not sure they have to approve
18 it. But based on my discussions with -- with Mr. Rankin, he
19 is fine with the agreement that we discussed in executive
20 session.

21 MR. HILL: Mr. Chairman, I move the adoption of
22 the street -- settlement agreement for streetscape.

23 MS. COX: Second.

24 CHAIRMAN McCUSKER: Any further discussion?

25 (No oral response).

1 CHAIRMAN McCUSKER: All in favor say aye.

2 (Motion made, seconded and carried unanimously)

3 CHAIRMAN McCUSKER: Praise Jesus.

4 All right. The Fox Theater ground lease and loan
5 modification agreement, just a couple of pieces of
6 background on this.

7 At Christmastime, the board unanimously agreed --
8 the district board unanimously agreed to exercise our call
9 options with the National Historic Trust. They were taken
10 out of this very complex transaction before the end of the
11 year. We have been negotiating a modification of the lease
12 and loan structure with the Fox Foundation since then.

13 The Fox Foundation owes the Rio Nuevo District
14 about \$2.9 million and they want, obviously, to remain the
15 tenant of the theater. We've been discussing terms under
16 which they can continue to do that. We introduced in
17 January some restrictions that we would like to place on the
18 governance of the Fox Theater.

19 For the record, I would like it to be known that
20 I am not currently engaged in any of these conversations.
21 It became too much about me and too much about my role at
22 the Fox, so these ongoing conversations have been held by
23 Mr. Sheafe, Mr. Irvin and Mr. Collins.

24 And, Mark, do you want to give us kind of a
25 status as to where you are today?

1 MR. COLLINS: Yes. Mr. Chairman, members of the
2 board, in the December 17th meeting, I explained to you the
3 concept of the ground lease and loan modification agreement.

4 What I explained to you, at that time the
5 structure was going to be a series of lease assignments.
6 That was the simplist way in my judgment to -- to simplify
7 the Fox arrangement and take out the trust. And that's what
8 you folks instructed me to proceed on and you instructed the
9 executive officers to execute.

10 After that meeting on the 17th of December,
11 actually between Christmas and New Years, the Fox
12 accountants indicated that they didn't like that idea
13 because it might create a taxable event for the Fox, so we
14 agreed upon a different approach. It's the same result.
15 It's -- your debtor, the \$2.9 million that the Chairman is
16 talking about, is Fox Theater Foundation. And as you will
17 all remember, the structure that we all inherited gave you
18 no direct way to collect that debt, at least for a long
19 time.

20 What we ended up doing before the end of the year
21 was create a ground lease and loan modification agreement by
22 which the foundation became a tenant of the property that
23 the district owns. And -- and that was agreed to by the Fox
24 folks and conceptually agreed to by the executive officers.
25 It has not yet been fully executed. So that's one thing

1 that is before you.

2 And the other is the first amendment that --
3 that -- that we would have to do to include the governance
4 documents. After -- as, Mr. Chairman, I believe you started
5 to talk about, after the first of the year, there were some
6 things that occurred that the board wanted to modify that
7 agreement, so that -- it's called the first amendment. It
8 would include and enforce certain governance covenants on
9 the foundation which owes the district \$2.9 million.

10 So as of 11:00 o'clock today, I got additional
11 changes from the Fox on the first amendment. We've
12 discussed that in executive session and that's where we are.

13 MR. HILL: Mr. Chairman, I move the adoption of
14 the -- the first amendment that counsel has spoken to.

15 CHAIRMAN McCUSKER: I don't know that you're
16 ready to do that; right? Didn't you suggest you've got some
17 work to do based upon today's interventions?

18 MR. COLLINS: Mr. -- yeah. Mr. Hill, I would
19 suggest -- and I'm being a bit pedantic here, but --

20 CHAIRMAN McCUSKER: That's really a pretty word.

21 MR. IRVIN: I was waiting for him to explain it
22 to us.

23 MR. COLLINS: But I think that what you ought to
24 consider doing first is approve what I did to the format of
25 the ground lease and loan modification agreement.

1 CHAIRMAN McCUSKER: All this is going to be a
2 package that's going to have an agreement and an amendment?

3 MR. COLLINS: Correct.

4 CHAIRMAN McCUSKER: Why can't we just wait for
5 you to get it done, and then you bring it back to us?

6 MR. COLLINS: You can absolutely do that. I
7 can -- you instructed me to do certain changes in the
8 executive session and I can proceed with that. I can do
9 that.

10 MR. HILL: I'll withdraw the motion with the
11 caveat that, you know, we don't want to extend this forever,
12 that this is getting to be a timely issue with the internal
13 revolt that was so unsuspected that took the board here, I
14 think, totally surprised, so I'd just hope we can keep the
15 feet to the fire of those folks that seem to be intent on
16 throwing monkey wrenches in this operation. We need to have
17 the ability to collect the taxpayer's 2.9 million, Mr.
18 Chairman.

19 CHAIRMAN McCUSKER: Do we need to do anything
20 short of authorizing you to continue to negotiate with --

21 MR. COLLINS: No, Mr. Chairman. You gave me
22 appropriate instructions in executive session.

23 CHAIRMAN McCUSKER: All right. I'll put it on
24 the April agenda.

25 MR. HILL: Thank you, Mr. Chairman.

1 CHAIRMAN McCUSKER: The Rialto Theater.

2 Mr. Collins.

3 MR. COLLINS: Mr. Chairman, members of the board,
4 as you -- there was a direction to me to prepare -- at the
5 last meeting in February, a direction to prepare a sales
6 agreement pursuant to the proposal that the Rialto
7 Foundation made to you folks. I did that. It's perhaps the
8 simplest commercial sale agreement that I've ever been
9 involved in putting together. Probably the hardest thing to
10 do was to make it that simple.

11 It is in the hands of the Rialto Foundation. I
12 think that the golf tournament that has had some notoriety
13 today has taken the foundation's lawyer -- lawyer's time, I
14 haven't heard back from him, so there's really nothing for
15 you folks to do today on the Rialto Foundation.

16 CHAIRMAN McCUSKER: Do we have authorization to
17 execute it once you're done or do you have to bring it back
18 to us?

19 MR. COLLINS: You don't have authorization yet to
20 execute. I would recommend that we agendaize it for the next
21 meeting because by then I'm sure that I will have heard back
22 and you can do it all at one time.

23 CHAIRMAN McCUSKER: Okeydoke.

24 Any questions for Mark on the Rialto?

25 (No oral response).

1 CHAIRMAN McCUSKER: All right. The Presidio
2 property. The presidio, if you don't know, is the original
3 site of the Tucson Presidio. It's on Stone -- Cherry --

4 Where is it, Michele?

5 MR. IRVIN: Church.

6 CHAIRMAN McCUSKER: Church and --

7 MR. COLLINS: It's Washington and -- and Council.

8 MS. BETTINI: Council and Washington.

9 MR. IRVIN: The city's piece is on -- their piece
10 is on Church and Washington. Our piece is on Washington
11 and --

12 MR. RITCHIE: Church.

13 MR. IRVIN: No.

14 MS. BETTINI: Council.

15 CHAIRMAN McCUSKER: The original Rio Nuevo board
16 invested, I think, four and a half million dollars in the
17 resurrection of the Presidio.

18 MR. COLLINS: More than that.

19 CHAIRMAN McCUSKER: The east side is owned by the
20 city. The west side is owned by us. Short of one
21 delapidated building, we lease the part that we own back to
22 the city who operates it as a park.

23 Did I miss anything?

24 MR. COLLINS: That's correct.

25 CHAIRMAN McCUSKER: All right. And we need to

1 extend the lease terms to the city.

2 MR. COLLINS: Correct.

3 MR. SHEAFE: Mr. Chairman, I move that we extend
4 the lease for one year.

5 MR. HILL: Second.

6 CHAIRMAN McCUSKER: That makes it easy.

7 Any conversation?

8 (No oral response).

9 CHAIRMAN McCUSKER: All in favor say aye.

10 (Motion made, seconded and carried unanimously)

11 CHAIRMAN McCUSKER: Okay.

12 MR. COLLINS: Mr. Chairman, members of the board,
13 not to -- to spend more time on a small piece of business,
14 but the city has also -- in the process of entering into an
15 operating and maintenance agreement with the Tucson Presidio
16 Trust, the district is not a party to that agreement. I
17 believe the agreement is finalized. I've reviewed it. It's
18 not something that would create any heartburn for any of you
19 folks.

20 CHAIRMAN McCUSKER: They're the tenant, so they
21 could --

22 MR. COLLINS: Correct.

23 CHAIRMAN McCUSKER: -- sub it out to anybody.

24 MR. COLLINS: Correct.

25 CHAIRMAN McCUSKER: We don't even need to get

1 involved.

2 MR. COLLINS: Actually you would have -- if it
3 were a sublease, you would have to approve it.

4 CHAIRMAN McCUSKER: Right.

5 MR. COLLINS: But the way it's been crafted, it's
6 an operating agreement, not a sublease, so you wouldn't have
7 to approve that. But when it gets finalized, we'll bring
8 that back to you to take a look at, too.

9 CHAIRMAN McCUSKER: All right. Now is the time
10 reserved for call to the audience.

11 Michele, any cards?

12 MS. BETTINI: No.

13 CHAIRMAN McCUSKER: Entertain a motion to
14 adjourn?

15 (Motion made, carried and seconded)

16 CHAIRMAN McCUSKER: We are adjourned until April.
17 Thank you very much.

18 (3:18 p.m.)

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1 STATE OF ARIZONA)
) ss.
 2 COUNTY OF PIMA)

3 BE IT KNOWN that the foregoing transcript was
 4 taken before me, THOMAS A. WOPPERT, RPR, a Certified
 5 Reporter in the State of Arizona; that the foregoing
 6 proceedings were taken down by me in shorthand and
 7 thereafter reduced to print under my direction; that the
 8 foregoing pages are a true and correct transcript of all
 9 proceedings had, all done to the best of my skill and
 10 ability.

11 I further certify that I am in no way related to
 12 any of the parties hereto nor am I in any way interested in
 13 the outcome hereof.

14 Dated at Tucson, Arizona, this 6th day of April
 15 2015.

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Thomas A. Woppert, RPR
 AZ CCR No. 50476