

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona  
April 26, 2016  
1:00 p.m.

REPORTED BY:

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1 (Meeting commenced at 1:06 p.m.)

2 CHAIRMAN McCUSKER: We're going to call this  
3 meeting to order. We have a quorum.

4 Mr. Marquez?

5 MR. MARQUEZ: My pleasure.

6 (Pledge of Allegiance was recited.)

7 CHAIRMAN McCUSKER: Michele, will you call  
8 the roll?

9 MS. BETTINI: Edmund Marquez?

10 MR. MARQUEZ: Here.

11 MS. BETTINI: Mark Irvin?

12 TREASURER SHEAFE: Here.

13 MS. BETTINI: Fletcher McCusker?

14 CHAIRMAN McCUSKER: Here.

15 MS. BETTINI: Chris Sheafe?

16 TREASURER SHEAFE: Here.

17 CHAIRMAN McCUSKER: And we know Jannie's out  
18 of town, right?

19 MS. BETTINI: Correct.

20 CHAIRMAN McCUSKER: So she's excused. And we  
21 think Mr. Hill and Mr. Ritchie are on their way.

22 MS. BETTINI: Correct.

23 CHAIRMAN McCUSKER: Okay. So we have  
24 transcripts from the last meeting. They were provided to  
25 you in advance, for the March 29th meeting. They are

1 verbatim. If you have any questions, comments, or changes?  
2 If not, I would need a motion to approve.

3 SECRETARY IRVIN: So moved.

4 MR. MARQUEZ: Second.

5 CHAIRMAN McCUSKER: All in favor, say aye.  
6 (Ayes.)

7 CHAIRMAN McCUSKER: All right. This is the  
8 time we set aside for Executive Session. We're going to  
9 need a motion to recess.

10 SECRETARY IRVIN: So moved.

11 MR. MARQUEZ: Second.

12 CHAIRMAN McCUSKER: All in favor, say aye.  
13 (Ayes.)

14 (The Board voted and the motion carried.)

15 CHAIRMAN McCUSKER: Okay. So we'll be back  
16 in about an hour. We'll shoot for two o'clock. We'll move  
17 as fast as we can.

18 (The Board recessed for Executive Session at  
19 1:07 p.m.)

20 (The Board reconvened at 2:09 p.m.)

21 (Mr. Ritchie and Mr. Hill joined the  
22 proceedings.)

23 CHAIRMAN McCUSKER: If we can have a motion  
24 to reconvene.

25 SECRETARY IRVIN: So moved.

1                   CHAIRMAN McCUSKER:  Somebody second that,  
2  please?

3                   MR. MARQUEZ:  Second.

4                   CHAIRMAN McCUSKER:  All in favor, say aye.  
5                   (Ayes.)

6                   CHAIRMAN McCUSKER:  Good afternoon, everyone.  
7  Mr. Ritchie joined us.  He didn't check in on roll call, so  
8  if you'd make a note.  And Mr. Hill and Mr. Ritchie have  
9  joined the Board.

10                   A couple of quick remarks from me; a  
11  financial report from Dan; and then we want to move, right  
12  away, to the conversation -- one of the most exciting  
13  conversations we've had around bringing pro hockey to  
14  Tucson.

15                   You'll see a lot of stuff on the agenda about  
16  the West Side.  We are very excited to see the infill  
17  development in Downtown.  If you've driven down Broadway and  
18  got caught in the snarl of construction traffic, you know  
19  the AC Hotel is coming up, the new apartments on Stone and  
20  Broadway are coming up, the townhomes on Stone across from  
21  the cathedral have broken ground, Elvira's opened up a  
22  couple weeks ago, Charro Steak a few weeks ago.  It's a  
23  really exciting time to be Downtown.

24                   We have a huge focus on the far West Side  
25  across the freeway.  You're going to see some things today

1 on the agenda to hopefully help us advance that, not only in  
2 terms of new retail but the opportunities on the southern  
3 sections given the conversation around putting some topsoil  
4 on the former landfill. So we're really going to work today  
5 on trying to move the ball on a number of fronts.

6 We don't have a lot of money but, Dan, tell  
7 us how much money we do have.

8 MR. MEYERS: Dan Meyers, chief financial  
9 officer of Rio Nuevo.

10 Okay. So we got the re-funding of the bonds  
11 taken care of which gave us a nice infusion of cash. So  
12 we're -- currently we're seeing about \$8 million in the  
13 Alliance Bank operating account, about 5 million in our  
14 Alliance Bank ICS account, 5 million in the Bank of Tucson  
15 ICS account, and about 400,000 in the Bank of Tucson  
16 operating account for a total of about 18.4 million.

17 We still got about 10 million -- \$8 million  
18 of commitments outstanding, including approximately a  
19 million for Mission Gardens, about 4.3 million for the AC  
20 Hotel Garage, 1.7 million for the Greyhound move, 750 for  
21 Streetscapes, about \$250,000 for completion of the Tucson  
22 Community Center remodel. So that's a total of 8, which  
23 means we've got about \$10.3 million in excess funds, as we  
24 sit here today.

25 CHAIRMAN McCUSKER: How are your collections?

1                   MR. MEYERS: Our collections were strong last  
2 month. We have about 1.5 million from TIF. Our budget is  
3 825,000, consistently above last year. And I'm optimistic  
4 that the trend will continue. I think our monitoring  
5 efforts are beginning to pay off. And we're hopefully going  
6 to do a few more things to keep that monitoring going and  
7 making sure we're getting all the money we're legally  
8 entitled to.

9                   All the Wells Fargo reserves have been closed  
10 out. The money's been moved over to Compass Bank as far as  
11 the new bond issuance. And I think we're pretty much good  
12 to go.

13                   TREASURER SHEAFE: Dan, you were working on  
14 getting a better tracking methodology for the various vendors  
15 and businesses. Have you made any progress on what you  
16 wanted to do there?

17                   MR. MEYERS: Well, we've got a few --

18                   CHAIRMAN McCUSKER: We actually have an  
19 agenda item for that too.

20                   MR. MEYERS: Right.

21                   CHAIRMAN McCUSKER: So we're upgrading to  
22 help Dan.

23                   TREASURER SHEAFE: So maybe I'm jumping  
24 ahead.

25                   CHAIRMAN McCUSKER: Go ahead and talk about,

1 annually, what we're doing.

2 MR. MEYERS: We talked to a couple of people,  
3 one of which was suggesting we do a cloud-based database and  
4 the other one which was talking about doing an in-house  
5 database. And we looked at both options.

6 And I think we've got a proposal for the one  
7 that wants to do the in-house one. We think it's maybe more  
8 secure, less ongoing repetitive costs. And we think that  
9 would do a really good job of helping us track the TIF  
10 collections as well as communicating with our district  
11 merchants. So I think it's a really good thing for us to  
12 have in-house for us to utilize in a lot of ways.

13 CHAIRMAN McCUSKER: Any questions for Dan?

14 MR. MEYERS: Any questions?

15 CHAIRMAN McCUSKER: Thank you, Dan. Nice  
16 job.

17 MR. MEYERS: Thank you.

18 CHAIRMAN McCUSKER: Okay. We're going to  
19 move to Item No. 7. We tried to give you as comprehensive  
20 an agenda item as you can because there's been a lot of  
21 conversations in the press and speculation about what's  
22 happening with the City of Tucson and the Arizona Coyotes.  
23 I think we've all confirmed for you that we have a really  
24 exciting opportunity, thanks to the team and what's  
25 developing with their AHL franchise.

1                   If you follow hockey at all, then you know  
2                   that a year ago they created a Pacific Division within the  
3                   American Hockey League. Many of the East Coast teams moved  
4                   to California to skate with their parent clubs in San Diego,  
5                   in Ontario, in Stockton and San Jose, places like that. And  
6                   they literally have knocked attendance out of the park.  
7                   It's been phenomenal to watch if you're a hockey fan, if you  
8                   really appreciate what happens within the premier minor  
9                   league AHL.

10                   San Diego Gulls, for example, which skates in  
11                   San Diego, averages almost 9,000 fans a game; Ontario, about  
12                   8500.

13                   The least attendance that we can identify as  
14                   we've looked to comparable cities is in the San Jose area,  
15                   which brings in about 6,000 fans. But it's also the same  
16                   city where the parent club skates. So we think there's some  
17                   pirating of fans when you skate in the same City.

18                   It's a remarkable event for league. The team  
19                   and team leadership who are here today approached us and the  
20                   City about a month ago indicating confidentially that they  
21                   intended to acquire the Springfield, Massachusetts team and  
22                   would like to relocate that to Tucson.

23                   There's a lot of things that still have to  
24                   occur. But, indeed, they've closed on that transaction  
25                   subject to governing board AHL approval; subject to the City

1 of Tucson negotiating a lease with the team; and subject to  
2 us upgrading the TCC to American Hockey League standards.

3 We've done a lot of work in that regard. And  
4 we're going to hear, kind of, today where we think that  
5 opportunity lies and what it would cost us to do that.

6 I think I speak for all of us, Anthony and  
7 the members of the public, we are thrilled to be having this  
8 conversation, from our perspective. We think it really  
9 helps activate the east end of Downtown, really brings some  
10 new life back to our Arena. And to have a franchise of the  
11 caliber that you operate associated with Tucson, just on  
12 behalf of us, we think it's a remarkable opportunity. So,  
13 again, thank you very much.

14 And I know you've got a lot of places to be.  
15 And to have you in Tucson is very special. Thank you.

16 So, Phil, given that, let's talk about what  
17 it takes to get league ready.

18 We have had representatives from the American  
19 Hockey League tour the venue with us. I think it's safe to  
20 say that they love what we've done to the renovations in the  
21 fan space, seating, lighting, concessions, bathrooms, et  
22 cetera.

23 There's a lot of work to do in what I would  
24 call back of the house. And to skate a pro team, you've got  
25 to pay a lot of attention to the athlete amenities, from the

1 locker rooms to training rooms to exam rooms to  
2 hydrotherapy, none of that, of course, we have. So we've  
3 asked Phil, the architect for us with the TCC, to meet with  
4 us, meet with the team, meet with the league, and to scope  
5 for us what it would take to meet if AHL standards.

6 Phil?

7 MR. SWAIM: Chairman McCusker, Members of the  
8 Board, Phil Swaim, Swaim and Associates architects, 7350  
9 East Speedway.

10 We have had a chance to be able to develop  
11 some concepts here of what it would take to be able to  
12 get -- get some game day and practice facilities up and  
13 operating, for the short term, by October and also some  
14 concepts of what the long-term solutions might be.

15 This slide up here shows the -- it is, in  
16 general, the renovation of the existing locker and dressing  
17 room wing we took for the -- for those game day and the  
18 initial short-term facilities, utilizing the -- the blue  
19 area is an old kitchen that's a long term -- a long time  
20 gutted that we can use for support spaces.

21 And then there's a dashed line in the north  
22 ex hall -- I'll show a little bit later -- of an option to  
23 take some of the space --

24 CHAIRMAN McCUSKER: Would you orient people  
25 to that? This is the west side of the Arena, if you're

1 looking toward the big video scoreboard --

2 MR. SWAIM: Exactly.

3 CHAIRMAN McCUSKER: -- it would be on your  
4 right.

5 MR. SWAIM: Yeah. So the -- obviously the  
6 rink there is in the center. So this is the lower level  
7 with concessions on either side, north is to your right.  
8 The east parking lot and Church are to bottom of the slide,  
9 below there.

10 So actually to the -- up above that area, to  
11 the west --

12 CHAIRMAN McCUSKER: Is there some of these  
13 out there if anybody wants to follow along?

14 MR. SWAIM: We do have some of those  
15 available.

16 So the next slide -- Elaine -- shows a little  
17 bit more detail of what the -- what this first phase  
18 short-term solution would be, to be able to renovate the  
19 existing locker rooms and dressing rooms that have -- most  
20 of them have been converted to storage just because they're  
21 relatively unusable -- but to create locker rooms for home,  
22 visitor, as well as accommodate the Arizona hockey team for  
23 those game day facilities and get this work done by middle  
24 of September or first of October.

25 The -- we've worked with Concorde

1 Construction to develop an initial cost estimate. And the  
2 renovation of this work, including the -- some repairs to  
3 the existing ice plant and the replacement of the dasher  
4 boards to meet the AHL quality standards and putting in --  
5 sort of taking advantage of the large video board and  
6 infrastructure -- ideal infrastructure we put in last year,  
7 we're going to add in the video capabilities because they --  
8 for AHL they do require immediate televising capability and  
9 videotaping for the -- for the teams.

10 So the cost estimate, with those soft costs,  
11 as a project cost, the initial estimate is about 3.2 million  
12 for this first phase.

13 The second phase --

14 CHAIRMAN McCUSKER: Will you walk through  
15 what that gets us? I know everybody's being asking, you  
16 know, what are your plans? Just be a little bit more  
17 specific about what that \$3 million is.

18 MR. SWAIM: Okay. So the -- what that does,  
19 that gets us -- in the -- the green facilities there are the  
20 visitor locker rooms and changing and restroom, showers,  
21 coaches' locker rooms and treatment room.

22 The red is -- is the Arizona hockey club or  
23 it could be used by another team as well. And then the --  
24 it has that same locker rooms, changing, treatment, showers,  
25 and coaches' facilities.

1                   And the orange is the -- is for the Coyotes  
2 with -- that includes, also, a weight room and -- small  
3 scale weight room and treatment, coaches.

4                   We also have officials' rooms that are  
5 necessary as part of this. They're on the opposite side of  
6 the corridor, though I think we've got another option  
7 available to get them further away from the -- from the  
8 lockers facilities as I think the AHL may require.

9                   So we get -- this is about 8,000 square feet  
10 of renovated and expanded facilities here.

11                  Out in the Arena, again, it's the -- the  
12 video capabilities. We have -- we're creating a press box  
13 area to accommodate those game day facilities; and, again,  
14 the upgrade of the ice plant, a couple hundred thousand is  
15 necessary just to be able to make those repairs; and  
16 replacement of the dashers boards.

17                  CHAIRMAN McCUSKER: Any questions for Phil on  
18 what we call Phase 1?

19                  Okay. Go ahead.

20                  MR. SWAIM: So the second phase is -- is to  
21 keep all of the facilities for the practice facilities here  
22 in the -- at the TCC, is really what is shown here in  
23 orange. It's taking over for the north portion of the north  
24 ex hall. We coordinate that with SMG. And that still  
25 provides them with the access and support that they need to

1 be able to support other venues such as the Gem Show. They  
2 don't have events in the north ex hall specifically, except  
3 they really do use a lot for staging area. And that still  
4 allows for that capability.

5                   So this ends up being about 10,000 square  
6 feet of locker rooms, the -- some coaches' offices, expanded  
7 treatment facilities, storage, video review facilities, a  
8 larger weight room, and would -- and, also, then allow  
9 system of the space that was renovated in the locker room  
10 corridor in that first phase to revert back to support,  
11 dresses room, and things for the TCC and really consolidate  
12 the AHL team facilities here.

13                   So this -- this project estimate is --  
14 including the renovation expansion inside the ex hall and  
15 permit costs and fees and the furnishings for this is -- is  
16 also about 3.2 million. And, that, we would have completed  
17 and ready to go by October of 2017, so just over a year to  
18 do that.

19                   CHAIRMAN McCUSKER: All those years of  
20 architectural schooling, both are coincidentally  
21 3.2 million.

22                   MR. SWAIM: Ask another question, it's  
23 probably 3.2.

24                   We have identified areas where we think there  
25 may be able to be savings, I think. But building in

1 contingency, I think, is -- we've always -- we certainly are  
2 not inflating my numbers. But we don't want to be able to  
3 have to come back to you and tell you, by the way, it's  
4 more.

5 We understand the challenges of building  
6 within the TCC and of the older renovations required.  
7 And -- but we are confident that we can do it for that  
8 budget.

9 CHAIRMAN McCUSKER: To be clear, Phase 1  
10 would have to be completed by October 2016.

11 MR. SWAIM: That's correct.

12 CHAIRMAN McCUSKER: That allows the league to  
13 give us permission to host a pro franchise. But we don't  
14 officially meet league standards without the completion of  
15 the Phase 2 component.

16 MR. SWAIM: That is correct.

17 CHAIRMAN McCUSKER: Is that safe to say?

18 MR. SWAIM: Yes.

19 CHAIRMAN McCUSKER: So if we stay in the  
20 Arena, the cost to us to be AHL-ready is about \$6 million.

21 MR. SWAIM: That's correct.

22 CHAIRMAN McCUSKER: Okay. Don't go anywhere  
23 because this is where it gets interesting.

24 Mark and I visited the San Diego Gulls  
25 facilities with you a couple weekends ago and saw a separate

1 training facility apart from the Arena, permanent ice, about  
2 the same size training facility that you've identified. But  
3 it allowed the team to practice every day without  
4 interfering with the Arena.

5 One of the concerns we have, and one of the  
6 concerns, I think, the public and members of the City  
7 Council have expressed, is the conflicts that putting a  
8 hockey team in the Arena creates for the other Arena users,  
9 the Gem Show, the Home Show, the circus, the concerts,  
10 whatever. You know, it's problematic.

11 Plus, as I understand it, the ice has to stay  
12 down as the team has to practice every day. And we do have  
13 a new cap for that. But we've got ice permanently now on  
14 the floor.

15 We became very intrigued with the idea of a  
16 separate facility, not to the point where we're ready to do  
17 anything official. But I think, in terms of exploring our  
18 options, it makes more sense to us to look at doing  
19 something -- taking this \$3 million, instead of investing it  
20 back into the Arena, investing it into an offsite facility  
21 that would give the team a permanent practice facility, also  
22 allow the Wildcats a place to practice.

23 And when the teams are not on it, it becomes  
24 a public rink. So we've also added, to the community, the  
25 opportunity to have a public ice skating venue that we've

1 currently don't have.

2                   So you know, I know you just begun to scope  
3 that.

4                   We've also talked about, maybe, some bleacher  
5 seats, in a venue like that, that would seat a couple  
6 thousand people. So you know, fans could observe practices  
7 or they could actually -- the Wildcats, I think, average  
8 about 1800 fans. They could actually play in a smaller  
9 venue, really eliminate some conflicts with the TCC.

10                   So if we were to move, collectively, in that  
11 direction, what are those economics?

12                   MR. SWAIM: Well, it's not 3.2 million. But  
13 it really does make a lot of sense. Right now, I think, as  
14 you know, the Arizona hockey -- the Wildcats actually have  
15 traveled to Chandler to practice much of the time. The  
16 other adult leagues are doing the same sort of thing. So  
17 there truly is a need here for a community hockey facility.

18                   Just the basic community hockey facility is  
19 about 35,000 square feet for one sheet of ice and those  
20 lockers and support facilities, another 10,000 square feet  
21 for the Coyotes for their AHL practice facilities. It ends  
22 up -- an overall project budget initially, getting in some  
23 additional seating -- I think that's the -- kind of the wild  
24 card that we're looking into, what's the quantity of -- and  
25 how does that impact the overall scope -- but it's about 8

1 to 8.2 million, somewhere in that range, is what we're --  
2 what we're looking at. And that's -- and that's the  
3 complete project cost to --

4 SECRETARY IRVIN: You had to get that point 2  
5 in there, didn't you?

6 MR. SWAIM: And actually, right now, we're  
7 looking at 8.79 -- or .079 -- so 8.0 to 79,000, so --

8 CHAIRMAN McCUSKER: And that includes ice and  
9 new chillers and any -- so it's, pretty much, a  
10 self-contained separate rink.

11 MR. SWAIM: That's correct.

12 CHAIRMAN McCUSKER: Permanent ice.

13 MR. SWAIM: That's correct.

14 CHAIRMAN McCUSKER: A rink -- regulation  
15 rink, 200 by 85.

16 MR. SWAIM: Mm-hmm.

17 CHAIRMAN McCUSKER: Some public amenities in  
18 that for public skating -- skate rental, a little lounge,  
19 cafes, some changing rooms, but not much more than that --  
20 and an adjacent training facility, like the one we saw in  
21 San Diego, that would give everything that you would build  
22 otherwise in the Arena, attached to a separate sheet of ice.

23 MR. SWAIM: Correct.

24 And this \$8 million budget probably has a few  
25 hundred seats, but it's not that 2,000 or so that we -- that

1 we might want to consider.

2 CHAIRMAN McCUSKER: What kind of footprint  
3 would -- you said it's --

4 MR. SWAIM: About 45,000 square feet. And  
5 that includes a --

6 CHAIRMAN McCUSKER: And parking is -- how  
7 much would we -- what do we need? Two acres?

8 MR. SWAIM: It would probably take about --  
9 it depends upon how much parking -- what the site is and  
10 what the adjacent available parking to determine how much  
11 parking is necessary for this -- for this facility.

12 But that 8 million --

13 CHAIRMAN McCUSKER: Am I close?

14 SECRETARY IRVIN: Two to 2 and a half --

15 CHAIRMAN McCUSKER: Is it 3.2 acres?

16 MR. SWAIM: I'm thinking we could work on  
17 this.

18 CHAIRMAN McCUSKER: There's a theme. Totally  
19 unrehearsed.

20 MR. MARQUEZ: Can you back to the seating,  
21 please?

22 MR. SWAIM: Yes.

23 MR. MARQUEZ: So I'm hearing a couple hundred  
24 seats; I'm hearing 2,000 seats. This is two different  
25 pieces of ice. So break down the seating for us because I'm

1 hearing 9,000, 6,000 in other cities. How is this working  
2 out for us?

3 CHAIRMAN McCUSKER: So first of all, you have  
4 the Arena. So game day would always be in the TCC Arena.

5 MR. MARQUEZ: Okay.

6 CHAIRMAN McCUSKER: All the games played are  
7 in our 7,000-seat venue. Practice would occur off site.  
8 And conceivably Wildcat games could occur off site because  
9 they draw a smaller crowd. And then that would also be a  
10 public arena, public skating rink, in the meantime.

11 So if we do nothing, we're going to spend --  
12 we have to do Phase 1 just to get the team here. We  
13 ultimately have to do Phase 2 to keep the team here.

14 Then we began to toy with the idea, okay,  
15 what happens if we look at a separate facility?

16 What Phil's described doesn't have any  
17 seating other than some place where, you know, parents can  
18 watch their kids skate or coaches can watch the team skate.  
19 But it's not a viewer arena. It's a metal building with ice  
20 and some attached offices.

21 Google Poway Ice Arena, P-o-w-a-y. That's  
22 the one in San Diego. It's pretty much the model that  
23 you've just described.

24 MR. SWAIM: Correct.

25 CHAIRMAN McCUSKER: Okay. Now, to add seats

1 to that, it's got to go wider -- or upper. What has to  
2 happen to this footprint to put 1500 seats in?

3 MR. SWAIM: If -- you could expand it. It  
4 certainly needs to go wider, and possibly in length, to be  
5 able to have it surrounding the rink. To add 1500 to 2,000  
6 seats would be about a million and a half to \$2 million  
7 probably for that additional space and other support  
8 amenities and restrooms and concessions.

9 MR. RITCHIE: Fletcher, can I add --

10 CHAIRMAN McCUSKER: Sure. Go ahead.

11 MR. RITCHIE: First of all, Mr. LeBlanc,  
12 thank you for coming down here.

13 For those of you who may not be -- new to  
14 hockey, his ownership group has made an unbelievable  
15 commitment to our state. And they've incurred a lot, and  
16 they've overcome a lot, and they are very much committed to  
17 staying here in Arizona. So I think the fact that they're  
18 even expanding it further and coming down here to Tucson is  
19 thrilling.

20 In the back of the room I see Mr. Mike Feder  
21 who used to be the general manager of the most successful  
22 Triple-A baseball team that -- probably in the Pacific coast  
23 League.

24 And I remember all the nights, back in the  
25 '80s, when we'd have 8-, 9-, 10,000 people and the -- and

1 the revenue that it would generate.

2 So this AHL, to the public, is the highest  
3 level of hockey next to the National Hockey League. I mean,  
4 for those who watched the game last night, a couple of the  
5 key players for the St. Louis Blues just came up from the  
6 AHL. So there are -- it's the highest quality of play.

7 But the neat thing is -- and what you're  
8 talking about, Fletcher -- is there are a lot of families  
9 here in Tucson that make the drive up to Phoenix on almost a  
10 daily basis to go play youth hockey. We have been sorely  
11 lacking the facilities.

12 And even -- a kind of an interesting side  
13 note, the number one player that will probably be drafted  
14 this year in the National Hockey League was born right here  
15 in Arizona. And that -- you didn't even think about that 20  
16 years ago.

17 So the exciting thing is, is that could be a  
18 kid from Tucson in 10, 15 years. Maybe not the number one  
19 player in the league but, you know, a pretty quality high  
20 player.

21 So this is a win-win. I mean this is what  
22 we -- this is what I joined this Board for, was to try to  
23 find things to bring people downtown. Because that's what  
24 we're trying to do, help restaurants, help hotels, the  
25 employers. The people in town, the millennials will have

1 fun things to go to.

2 So I applaud, Mark, you and Fletcher, for  
3 doing the heavy lifting; Mr. LeBlanc for coming down here.

4 And you know, this is probably the most  
5 excited I've been in the five years that I've been on the  
6 board. I mean, we've had some pretty fun things, talking  
7 about sidewalks and other interesting things. So I'm pretty  
8 excited.

9 So buy your tickets now. Let's go.

10 CHAIRMAN McCUSKER: Let's hear it from the  
11 team. It's a great segue.

12 Cody, you didn't steal all of Anthony's  
13 speech.

14 But, Mr. LeBlanc, please come tell us about  
15 hockey. And just state your name and where you live, for  
16 the record.

17 MR. LeBLANC: Sure.

18 Anthony LeBlanc, the presidency, co-owner of  
19 the Arizona Coyotes, which is located at 9400 West Maryland  
20 Avenue in Glendale.

21 First off, thank you for some of the  
22 incredibly positive comments about the potential of the  
23 Coyotes partnering with Rio Nuevo and the City of Tucson to  
24 bring our potential American Hockey League franchise to this  
25 wonderful city.

1                    Maybe what I'll do -- I don't have any  
2     prepareding remarks. But I'm pretty good at going off the  
3     cuff. So I'll say a few things.

4                    And thank you, yes, Mr. Ritchie, I think you  
5     should join my -- my organization and help sell tickets with  
6     that incredible overview. But you're right.

7                    You know, it's a great place to start where  
8     you talk about Mr. Auston Matthews, who is the young  
9     gentleman who you referred to who is about to -- the  
10    expected No. 1 pick in the upcoming NHL draft. As a matter  
11    of fact, I'm heading to Toronto this weekend to what's  
12    referred to as the NHL draft lottery to see if there's a  
13    chance that the Coyotes could draft that hometown boy. So  
14    everybody please say a -- say a special prayer for us  
15    Saturday afternoon.

16                   But it was incredible. Mr. Matthews was  
17    interviewed at our last home game of the season. And he  
18    stated, you know, straight out, the reason he became a  
19    hockey player is because he went to a Coyotes game when he  
20    was a young kid. And now he's about to be drafted as the  
21    No. 1 player in the world. It really is a phenomenal  
22    situation. And it shows you what happens with the growth of  
23    this wonderful sport.

24                   So maybe I'll just give a little bit of a  
25    background of, you know, what it is that we have been

1 looking to do, the American Hockey League; why we are  
2 excited as -- by the Coyotes both on and off the ice; and  
3 what this can do for this wonderful community.

4           So first off, we purchased the franchise  
5 three years ago. And one of the first things we started  
6 doing was having conversations with our NHL cousins in  
7 California about the creation of the, now -- creating the  
8 Pacific Division.

9           One of the requirements was that you own your  
10 own American Hockey League franchise that you could locate  
11 into this new location. And we, at the time, did not own a  
12 franchise. And we still, officially, do not own a  
13 franchise. But as the Chairman indicated, we are in the  
14 final stages of purchasing the Springfield Falcons hockey  
15 club.

16           The first thing we thought of, and the only  
17 location we thought of if we were able to -- to secure a  
18 club, was Tucson. It just makes sense on every possible  
19 level. The commute is -- I'm getting to know it very, very  
20 well, the I-10 commute, over the last few weeks. But  
21 compared to Springfield and -- which is a wonderful city --  
22 and Portland, Maine where we were previously, it's a  
23 commute -- no -- that's a commute. That takes -- you know,  
24 when it's the factor of calling up players, it can take all  
25 day.

1                   There was actually a fairly famous situation  
2 earlier this year where our goaltender -- you have to have  
3 two goaltenders in a game. And our lead goaltender ruptured  
4 his Achilles heel about an hour and 15 minutes before the  
5 game began. And we had to call up someone who was at home  
6 bathing his children. So to have access to our players in  
7 this proximity is really important to us.

8                   But what this is all about to us, at the end  
9 of the day, is a more holistic approach to how we are  
10 looking to build the brand of the Coyotes, the brand of the  
11 National Hockey League, and the brand of this wonderful  
12 sport.

13                   Again, when you look at what's happened with  
14 youth hockey in the greater Phoenix area because of the  
15 Coyotes and the growth of ice rinks in and around the  
16 valley, it really is phenomenal. As a matter of fact, a  
17 statistic came up yesterday that the amount of youth hockey  
18 players in the State of Arizona this past year has grown  
19 like 51 percent, the second highest growth rate in the  
20 entire country.

21                   It's a great sport. People, once they get to  
22 start playing it, they're really excited about it. So when  
23 we heard of the concept of the potential for a second sheet  
24 of ice here in Tucson, it got us even more excited. And  
25 it's something that -- we had a -- you know, a notional

1 discussion late last week -- something that we would really  
2 like to explore further with you from a -- call it a public  
3 partner -- a public-private partnership. We just think it  
4 makes all the sense in the world.

5                   And if you look at the nontraditional hockey  
6 markets that have had tremendous success -- be it the Dallas  
7 Stars, the San Jose Sharks -- it's because they help grow  
8 the game. And that's something that's really important to  
9 us.

10                   So yes, one of the reasons we wanted to come  
11 and bring a franchise to Tucson is -- is the -- the ease of  
12 calling the players up, but more than anything, it's about  
13 expanding the brand of this wonderful sport and this game  
14 that we all love. And we -- we're in a position that we  
15 can't wait for that to happen.

16                   As the Chairman indicated, we have to receive  
17 final board approval from the American Hockey League Board  
18 of Governors. The upcoming meeting is on May 10th. And we  
19 certainly hope and anticipate that that will occur at that  
20 time. And then working with the staff at the City to  
21 finalize a lease.

22                   But one thing I will tell you is that we are  
23 not just committed to, you know, the Phoenix market or  
24 Arizona. We're committed to Tucson. And if we're going to  
25 do this and these numbers, they -- we don't take these

1 numbers lightly that you're considering. And that's why we  
2 are committed to it from a financial standpoint and a time  
3 standpoint.

4                   Meaning, if for some unknown reason, down the  
5 road, that the franchise didn't work out, we would ensure  
6 that the City and the District are not out of pocket. That  
7 is something we feel very strongly about. We've had, again,  
8 notional discussions about the concept of surcharges and the  
9 discussion of a lease of five to ten years long.

10                   This is -- we're not coming into this -- I've  
11 seen -- you know, I tend to probably read social media too  
12 much, and that means you get to see some of the naysayers'  
13 comments. But we take those seriously. We want to  
14 understand where people have discomfort or, you know, and  
15 things that are of concern to them. And we want to ensure  
16 that everybody knows, when we come in here to start, that  
17 we're committed to the long haul.

18                   One thing that I mentioned late last week  
19 that we're excited about as well, first off, it's not just  
20 the concept of bringing this franchise here and starting the  
21 season this coming October, but we are in the final stages  
22 of planning to bring a preseason hockey game of the Coyotes  
23 and one of their National Hockey League counterparts to  
24 Tucson to start this season, which we think is just a great  
25 way to kick off the whole program, to bring down the likes

1 of Shane Doan and Oliver Ekman-Larsson, and Max Domi to play  
2 here at the TCC. I think it's just a great way to start  
3 this all off.

4 So as I said, I don't have any -- I didn't  
5 have any prepared remarks. But I -- you probably think I'm  
6 lying about that considering I just rambled for a few  
7 minutes.

8 But with that, Mr. Chairman, I'll -- if  
9 there's any questions that you would like to ask, or any of  
10 your colleagues, I'd be thrilled to answer them.

11 CHAIRMAN McCUSKER: Any questions for  
12 Mr. LeBlanc?

13 Thank you. Thank you, Anthony. Thank you  
14 very much.

15 The team has mentioned some of the things  
16 that we've considered. I do think we need to kind of  
17 structure our approval. Obviously it's subject to the  
18 league's approval. It's also subject to the City  
19 negotiating a lease and ultimately Mayor and City Council  
20 approval.

21 But we won't meet again until the end of May.  
22 You know, they're going to a meeting May 10th where they've  
23 got to have some decisions made.

24 My recommendations are we deal with Phase 1  
25 pretty specifically. We have an amount. We -- our team has

1    been very successful in identifying and scoping cost. We  
2    were dead on the Arena renovation. You're looking at  
3    \$3.2 million to do Phase 1.

4                    We had talked about a ticket surcharge as  
5    part of the way that we get repaid for that. You know, you  
6    want that to be a nominal amount, a dollar or two dollars  
7    tops. You don't want to have a, you know, small ticket and  
8    then a \$10 surcharge. So, you know, some of the money we  
9    get from the fan base.

10                   You just think about that math and what it  
11   brings downtown -- it doesn't mention downtown. But we seat  
12   7,000 people for hockey. I believe they'll sell every game  
13   out, close to it. Even at 6,000 fans, 34 home games, you're  
14   talking about 200,000 hockey fans downtown. We know from  
15   our own economic studies that, above and beyond a ticket or  
16   a concert or a play or the ballet, if you're downtown, you  
17   spend on average \$30.

18                   So we're talking about bringing 200,000  
19   people downtown to create, you know, \$7 million of economic  
20   impact. So it just moots anything we're talking about in  
21   terms of an investment.

22                   But to Anthony's point -- and I think this  
23   speaks to some of the critics of these kind of deals where  
24   pro teams negotiate with arenas and then change their  
25   mind -- our deal would be structured so if the team exited

1 early -- again, remember, we're not privy to the lease --  
2 but when it's negotiated, if they exit early and we haven't  
3 seen that kind of return on investment, we'll have a method  
4 in place to recoup our costs.

5                   And that's extraordinary. There's never been  
6 a situation that I can think of, in any negotiating with a  
7 pro team, where they've offered to reimburse the arena owner  
8 if they change their mind. That's part and parcel, I think,  
9 to this conversation.

10                   So I think we can advance this by, A,  
11 approving the Phase 1 budget subject to league approval,  
12 Mark, subject to City Council approval; subject to the  
13 finalization of the lease; and of course subject to our  
14 final negotiations with the team. I suspect that will be  
15 some sort of triparty agreement ultimately between the City,  
16 the team, and Rio Nuevo. But we can probably give you  
17 enough information to advance a legal document.

18                   MR. COLLINS: Based upon what I heard today,  
19 Mr. Chairman, Members of the Board, there's no question that  
20 you can give enough direction so that, with the assistance  
21 of the City attorney, we can put together the documents that  
22 the team would need for the May 10th meeting.

23                   CHAIRMAN McCUSKER: And as it relates to  
24 Phase 2, what I would suggest is we kind of keep a warm  
25 commitment on the table. We know it's going to take another

1 \$3 million. But I think we all agree -- I haven't heard  
2 anybody criticize for us -- that a separate facility is a  
3 better use of money than reinvesting into the Arena. So in  
4 the meantime, we would explore opportunities.

5 It would have to be within the Rio Nuevo  
6 District, so that means a Downtown skating rink on two  
7 magical acres someplace -- you can pick your own spots --  
8 that we would negotiate to build a separate facility in time  
9 enough for them to, you know, understand where they're going  
10 to be in October of 2017. And we can revisit that even as  
11 early as the next meeting.

12 So I need a motion of some sort into what I'm  
13 calling and Phil's calling Phase 1 -- you have an amount;  
14 you have some conditions -- just trying to advance that for  
15 approval.

16 SECRETARY IRVIN: Mr. Chairman, I think the  
17 outline that you've provided is pretty good. Rather than  
18 having me repeat it, can I, Counsel, just make that a  
19 motion?

20 MR. COLLINS: Yes.

21 MR. RITCHIE: Second.

22 CHAIRMAN McCUSKER: So the motion is what he  
23 said.

24 MR. COLLINS: Which is what you said.

25 CHAIRMAN McCUSKER: Michele, call the roll.

1 MS. BETTINI: Edmund Marquez?

2 MR. MARQUEZ: Aye.

3 MS. BETTINI: Mark Irvin?

4 SECRETARY IRVIN: Aye.

5 MS. BETTINI: Chris Sheafe?

6 TREASURER SHEAFE: Aye.

7 MS. BETTINI: Jeff Hill?

8 MR. HILL: Aye.

9 MS. BETTINI: Cody Ritchie?

10 MR. RITCHIE: Aye.

11 MS. BETTINI: Fletcher McCusker?

12 CHAIRMAN McCUSKER: Enthusiastically aye.

13 (The Board voted and the motion carried.)

14 CHAIRMAN McCUSKER: So unanimously, we're  
15 going to build you a facility. You've got some stuff you've  
16 got to go take care of for that to happen. And obviously  
17 we'll do everything we can to help do that.

18 TREASURER SHEAFE: It's important to point  
19 out that I believe that motion has the flexibility built in  
20 to it to do any and everything necessary to move this  
21 project forward for Phase 1. Because you don't know all the  
22 issues that may come up and the executive officers have been  
23 authorized to move forward and solve the problems and keep  
24 this thing going so we can meet that October deadline,  
25 correct?

1 MR. COLLINS: That's my understanding.

2 CHAIRMAN McCUSKER: We've got it transcribed  
3 so --

4 MR. COLLINS: Right. That's my understanding  
5 about it, yes.

6 CHAIRMAN McCUSKER: -- if there's any doubt  
7 about anything.

8 TREASURER SHEAFE: Okay.

9 CHAIRMAN McCUSKER: Again, thank you very  
10 much. Good luck. Keep us posted.

11 TREASURER SHEAFE: Just remember, 3.2.

12 MR. SWAIM: 3.2.

13 CHAIRMAN McCUSKER: Mr. Irvin has  
14 suggested -- and I'm fine disrupting our agenda -- if  
15 there's anyone here that was planing to call to the audience  
16 that's related to hockey, we'll entertain those comments  
17 now. Michele has a sign-in card. They're up there.

18 Has anybody signed in for hockey? Anybody in  
19 the audience want to speak to hockey?

20 Mr. Desmond, you have three minutes, sir,  
21 which -- and state your name and where you live.

22 TREASURER SHEAFE: One of those yellow pads.

23 SECRETARY IRVIN: We'll get that later for  
24 you.

25 ATTENDEE: Ray Desmond, president and founder

1 of NOVA home loans, a 35-year-old institution here.

2 I just want to let everybody know, my -- I  
3 was a hockey guy, grew up in Detroit. So we played hockey.  
4 My brother and I played hockey. I went to Canada for  
5 college, he went to Harvard and played hockey. He was  
6 assistant coach there for a while.

7 But the important this is, my son grew up  
8 right at the right time. We had two sheets of ice in Tucson  
9 over the past history. And one was a little tiny box on  
10 Speedway, and the other one was a pretty nice facility on  
11 Speedway and Kolb and that was called the Iceoplex.

12 And he was 4 years old or 5. And of course I  
13 discourage him and his mother from having him play hockey  
14 because it's a rough sport at times. Well, he came home  
15 with equipment one day beyond my, even, knowledge. And he  
16 played in this -- in these leagues, these local leagues,  
17 these local youth leagues all his life.

18 And when I'd take him, which I did most of  
19 the time, to the practices and to the games, there would be  
20 figure skaters there that just got off the ice, there would  
21 be five teams waiting to get on the ice, there would be  
22 public skating going on all the time. This was a very  
23 vibrant situation for quite a few years.

24 My son ended up playing for the University of  
25 Arizona Wildcat hockey league. He was the first Tucson guy

1 to get to make it into that level in about 27 years. And  
2 that's what can happen here again.

3 And all these kids got displaced when that --  
4 when that rink went under. So they're not playing. I mean,  
5 they got to go to Phoenix to play and they're -- and the  
6 amount has dwindled down. The figure skaters have dwindled  
7 down. We're talking boys and girls youth.

8 And my son also now is a teacher, a 6th grade  
9 math teacher here. He gives back to the community. He's a  
10 wonderful kid. He's a musician as well. I mean, it helps  
11 with their growth and potential. Any sport will do that.  
12 But hockey especially does that.

13 Right, Mr. LeBlanc?

14 MR. LeBLANC: Absolutely.

15 ATTENDEE: Thank you very much.

16 CHAIRMAN McCUSKER: All right. Thank you.  
17 Anybody else want to say anything about  
18 hockey?

19 Mr. O'Malley?

20 ATTENDEE: Hi. Bill O'Malley.

21 I'm not representing my normal group today.  
22 But as a displaced Minnesotan and a former hockey player  
23 myself, I really appreciate what you've done and look  
24 forward to hockey.

25 We're season ticket holders with the

1 Wildcats. We come in with our little group of 12 people and  
2 spend all of my money at Downtown Tucson restaurants. So  
3 I'll be -- I root for the Coyotes except when they play the  
4 Wild. And I'm really looking forward to it. So thanks for  
5 what you did today.

6 CHAIRMAN McCUSKER: Thank you. I did notice  
7 your Minnesota accent kind of came back when you were  
8 talking about hockey.

9 Okay. We're going to move on. Thank you  
10 very much.

11 Item No. 8 on our agenda relates to the West  
12 Side. If you're following us, you understand that we are  
13 working with the County on some topsoil. We want to bring  
14 in an engineer and an architect so we don't just dump dirt  
15 on that West Side property but actually do a plan that makes  
16 some kind of sense, is economically and ecologically sound,  
17 and involves the neighborhood and other stakeholders.

18 So what we're asking the Board to name today  
19 is the retention of an architect -- you have a proposal in  
20 your packet -- and to re-engage Hydro Geo Chem. We already  
21 have a contract with them. The last time they were involved  
22 with us it was about 50 or 60K. And we've got a proposal  
23 from Ken Kavanaugh, who coincidentally was the architect for  
24 Randolph South, who has a lot of experience in golf course  
25 design. And I believe that's also in your packet.

1                   So he's got a very small do-not-exceed fee of  
2     \$14,800.

3                   TREASURER SHEAFE: Mr. Chairman, I'd just  
4     like to move to approval it.

5                   CHAIRMAN McCUSKER: Approve both of those  
6     things?

7                   TREASURER SHEAFE: Yes.

8                   CHAIRMAN McCUSKER: Okay.

9                   TREASURER SHEAFE: Yes. Let's just go ahead  
10    and -- well, my motion is to approve both and get this  
11    process rolling.

12                  SECRETARY IRVIN: I'll second that.

13                  CHAIRMAN McCUSKER: Mr. Collins, anything  
14    we're screwing up?

15                  MR. COLLINS: By approve, you mean approve  
16    and executing any of the necessary documents, Mr. Sheafe?

17                  TREASURER SHEAFE: That's exactly what I  
18    meant.

19                  MR. COLLINS: I thought that's what you  
20    meant. Thank you.

21                  CHAIRMAN McCUSKER: Okay. The motion is to  
22    approve and document the retention of a landscape architect  
23    and an engineering firm for the development plan on the West  
24    Side.

25                  All in favor, say aye.

1 (Ayes.)

2 CHAIRMAN McCUSKER: Any opposed, nay.

3 (The Board voted and the motion carried.)

4 CHAIRMAN McCUSKER: Okay. Item No. 9. Okay.

5 Here we go. The short couple of sentences for a  
6 long-traveled path.

7 We have been negotiating with Gadsden and the  
8 City for months to activate a 15,000-square-foot retail  
9 development on the far West Side. It will be on the corner  
10 of Cushing and Avenida del Convento.

11 Some time ago, the board approved a  
12 \$2 million investment in that property which would be in the  
13 form of a loan to the developer, paid back to us over time  
14 with some consideration for the incremental sales tax.

15 We did not know, at the time we approved  
16 that, that there were some challenging issues between the  
17 developer and the City as it related to the performance bond  
18 that tied them to previously agreed upon timing benchmarks.

19 So for what seems like forever, we've been  
20 negotiating with the City to take their position in these  
21 bonds, which would prevent a foreclosure of the bonds to the  
22 developer, and we would incorporate our costs into the  
23 package we make available to the developer.

24 Am I close?

25 MR. COLLINS: You're right on target so far.

1                   CHAIRMAN McCUSKER: Mr. Collins. What's the  
2 latest?

3                   MR. COLLINS: Well, just to -- Mr. Chairman,  
4 Members of the Board, quick addition, what we've been  
5 attempting to negotiate are really two different agreements;  
6 one with the City where we take an assignment of the City's  
7 position in exchange for a payment of cash and allows the  
8 District, then, to enter into a separate agreement with  
9 Gadsden to complete the project that was started over on the  
10 West Side some time ago.

11                   As late -- currently I'm working on the  
12 agreement with the City. Because the first thing that has  
13 to happen is there has to be an agreement between the  
14 District and the City so that the District can then move  
15 forward and negotiate with some realistic deadlines with  
16 Gadsden.

17                   We've discussed all of the terms of the -- of  
18 the assignment agreement with the City in Executive Session.  
19 By and large, it is precisely what you've been talking about  
20 in public.

21                   You will pay the City \$1.2 million, give or  
22 take -- it's specified in the agreement -- to take it's --  
23 to take the City's position. You'll get an assignment of  
24 the City's position on the -- on the development. You will  
25 then be in a position to negotiate with Gadsden. I don't

1 know how far you want me to go into that today.

2 But right now, I believe we have an agreement  
3 upon all the material terms between the City and the  
4 District. There are some, in my judgment, immaterial  
5 questions that are left to be decided. But I believe you're  
6 in a position to move forward with the approval of the  
7 agreement, that we've discussed in Executive Session, with  
8 the City.

9 CHAIRMAN McCUSKER: Mr. Irvin?

10 SECRETARY IRVIN: I'd like to make a motion  
11 that we move forward and approve the agreement as presented  
12 in Executive Session allowing the executive officers to  
13 complete that transaction provided there are no material  
14 changes which, obviously, you would be the one that would  
15 identify that question.

16 MR. MARQUEZ: Second.

17 MR. HILL: Point of order, Mr. Chairman.

18 CHAIRMAN McCUSKER: Mr. Hill.

19 MR. HILL: Mr. Collins, can he reference  
20 something in Executive Session that it's not --

21 MR. COLLINS: Not substantively. I can take  
22 instruction from Executive Session.

23 MR. HILL: Okay.

24 MR. COLLINS: And that's what I've been given  
25 in Executive Session. And I believe that's all he was --

1 MR. HILL: -- pierce the veil --

2 MR. COLLINS: Yeah.

3 MR. HILL: -- than cause us any problems.

4 MR. COLLINS: No. I -- I understand. And  
5 I -- I defer to you, you author of those rules.

6 MR. HILL: Okay.

7 CHAIRMAN McCUSKER: What does that do, then,  
8 to our negotiations documentation with Gadsden?

9 MR. COLLINS: Nothing.

10 CHAIRMAN McCUSKER: That's a total separate  
11 agreement?

12 MR. COLLINS: Yes, yes.

13 CHAIRMAN McCUSKER: Have we approved that  
14 in --

15 MR. COLLINS: No.

16 CHAIRMAN McCUSKER: Okay. So that will come  
17 back to us?

18 MR. COLLINS: Yes.

19 CHAIRMAN McCUSKER: All we're approving  
20 today -- or voting on today is the agreement between Rio  
21 Nuevo and the City to replace them in the development  
22 agreement and to take their position, vis-a-vis these bonds?

23 MR. COLLINS: Yeah. To be clear, Gadsden  
24 will sign this agreement as well because the City wants  
25 Gadsden to sign off on this assignment. And we've talked

1 about doing it in a separate document. But the consensus  
2 was, it made more sense that Gadsden will sign off on this,  
3 what we've been talking about today, that -- what I've  
4 called it, the City-District agreement, Gadsden will sign  
5 off on this. But this is not the document that will -- that  
6 will run, if you will, the rest of the development between  
7 Gadsden and the District.

8 CHAIRMAN McCUSKER: And if we approve it  
9 today, it still has to go to Mayor and Council.

10 MR. COLLINS: Oh, it absolutely does. And  
11 the final touches need to be put on it. I don't anticipate  
12 a problem.

13 CHAIRMAN McCUSKER: Okay. We have a motion  
14 and a second to allow counsel to proceed as instructed  
15 subject to no material changes.

16 MR. COLLINS: All right.

17 CHAIRMAN McCUSKER: Michele, call the roll.

18 MS. BETTINI: Edmund Marquez?

19 MR. MARQUEZ: Aye.

20 MS. BETTINI: Mark Irvin?

21 SECRETARY IRVIN: Aye.

22 MS. BETTINI: Jeff Hill?

23 MR. HILL: Aye.

24 MS. BETTINI: Cody Ritchie?

25 MR. RITCHIE: Aye.

1 MS. BETTINI: Fletcher McCusker?

2 CHAIRMAN McCUSKER: Aye.

3 MS. BETTINI: And Chris Sheafe --

4 (The Board voted and the motion carried.)

5 CHAIRMAN McCUSKER: And it passes unanimously  
6 as well. Thank you very much. We are on some sort of roll.

7 MS. BETTINI: Chris Sheafe had to recuse  
8 himself.

9 CHAIRMAN McCUSKER: Greyhound Terminal, I  
10 think it's safe to say we got dangerously close to being in  
11 a position to close on this parcel and begin construction of  
12 the new terminal at Euclid and Broadway. I would think --  
13 again, thanks to Mr. Collins' legal leadership -- we are  
14 pretty tidied up as it relates to the lease.

15 We just heard a few days ago that because  
16 this is a 25-year term, it has to be approved by the  
17 Greyhound Corporation Board of Directors. So we're going to  
18 ask the seller for some additional time for that to occur.

19 And that's really the only condition left,  
20 right, Mr. Collins?

21 MR. COLLINS: Right.

22 Mr. Chairman, Members of the Board, we have a  
23 build-to-suit lease which is comprehensive. There are a few  
24 details to discuss. But I see no reason why that can't all  
25 be completed within the next 30 days and have it presented

1 to the Greyhound Board.

2                   The -- I've spoken with the seller, and they  
3 have graciously offered to allow some additional time.

4                   CHAIRMAN McCUSKER: Okay. We need a motion,  
5 then, to extend for what, Mr. Collins? 30 days?

6                   MR. COLLINS: Yes.

7                   CHAIRMAN McCUSKER: Or to the next meeting.

8                   SECRETARY IRVIN: So moved.

9                   MR. MARQUEZ: Second.

10                  CHAIRMAN McCUSKER: 30 days, we have a motion  
11 to extend the Greyhound Terminal purchase agreement for 30  
12 days.

13                  All in favor, say aye.

14                  (Ayes.)

15                  CHAIRMAN McCUSKER: Any nays?

16                  (The Board voted and the motion carried.)

17                  CHAIRMAN McCUSKER: It passes unanimously.

18                  Item No. 11 might not be that easy.

19                  We have a real opportunity in this community  
20 to really enhance our winter experience with this Arizona  
21 Bowl. The inaugural bowl was last year.

22                  We were a minor sponsor in that. We hosted  
23 the downtown party, which I think crowd estimates, Mark,  
24 were 11- or 12,000 people, jammed our restaurants. I think  
25 we sold 3200 hotel rooms. We had the second highest

1 inaugural attendance of any initial college football bowl  
2 game.

3 Ray is here. NOVA was the major sponsor for  
4 that. We expect NOVA will be the major sponsor again this  
5 year. We're looking forward to a long-term relationship  
6 with them and with the other parties to this bowl game.

7 We would like to do 44,000 fans, not 22,000  
8 fans. To do that, it takes money, additional money for  
9 marketings, but moreover, additional money for team payoffs.

10 Any college team that's eligible for a bowl  
11 game can command upwards to \$2 million to make an appearance  
12 at an elite game. We don't think we'll get anywhere near  
13 there. But with all of us kind of chipping in -- by that, I  
14 mean the City of Tucson, the County, Visit Tucson, private  
15 companies like NOVA -- we do believe we can get to a  
16 \$2 million budget with maybe three-quarters of a million  
17 dollars of team payoffs.

18 So this is entirely up to the board if we  
19 want to, at any level -- that number is my number. It's not  
20 tied to anything scientific. It's a -- what would be the  
21 second tier sponsorship right behind NOVA. But I think they  
22 would be thrilled if we would participate in any level.

23 TREASURER SHEAFE: Are you asking that we  
24 commit to \$400,000?

25 CHAIRMAN McCUSKER: That's -- that was the

1 purpose of that pregnant pause.

2 MR. RITCHIE: If I may. I mean, I might -- I  
3 remember a conversation I had with Todd Hanley -- he's the  
4 general manager of the Hotel Congress downtown -- and he  
5 said traditionally that's their slowest week of the year.  
6 And during the bowl game this year, that it was, you know,  
7 phenomenal. The cash register was ringing, lots of people  
8 downtown.

9 And I know enough to commend the guys because  
10 I know -- quite a few of them here -- they worked really  
11 hard and they had like one arm behind their back and they  
12 were facing 75-mile-an-hour winds in putting that game  
13 together in -- I don't know -- two months.

14 And going back 20-some years, I was on the  
15 old Copper Bowl committee. And I remember when 52,000  
16 people filled the stadium up between -- the game with Kansas  
17 State and the University of Wyoming. Kansas State, I think,  
18 brought 35,000 people. And they filled up all the hotels.

19 And I'm a big believer in we get back our  
20 return for our tax dollars and what we're spending. So I  
21 think we could probably put pencil to paper and figure out  
22 that the tax revenue that we're bringing in more than  
23 offsets the \$400,000 that we're spending.

24 So personally --

25 CHAIRMAN McCUSKER: Bowl officials are here.



1 really focused on charitable giving. And I can -- I'm happy  
2 to say that we were able to give over a hundred thousand  
3 dollars to local charities from the proceeds in the game.

4                   Finally, and maybe most importantly, the  
5 game -- and it's not just a game. It was the event. The  
6 purpose was to shine a positive light on our community --  
7 the Downtown area, our University, our City -- and mute the  
8 sometimes self-defeatist narrative that happens in our  
9 community.

10                   I believe -- and I know a lot of the  
11 individuals that helped put this game on -- that positive  
12 builds on positive. I was born and raised here. I went to  
13 University of Arizona. And the two things we talked about  
14 growing up was, No. 1, is it going to rain? How about that  
15 rain? Does it look like rain? And No. 2, we got to do  
16 something about Downtown.

17                   And nobody talks about No. 2 anymore because  
18 of the great work this Board has done and why it makes the  
19 Rio Nuevo Board such an excellent partner and -- aligned  
20 with the focus and mission of the Arizona Bowl.

21                   Based on a study done by the Arizona school  
22 of business, the Eller school of business, the economic  
23 impact on Tucson -- the hotels, the restaurants, et  
24 cetera -- from the fans that came from Colorado State and  
25 Nevada University was approximately \$20 million.



1 really, what we're trying to do is, it's time to build on  
2 that first game success. A lot of people call it  
3 Version 2.0. But to be consist with prior discussion before  
4 this Board, I'll call it Version 3.2.

5                   This year we are working with a potential  
6 television partner to put the game during the day on New  
7 Year's Eve. We would like that game to filter into a New  
8 Year's Eve Downtown block party. We believe that this is  
9 consistent with our missions, the three missions that we  
10 have. And more importantly we want to build a tradition  
11 that endures and succeeds in the future.

12                   As we -- as with any investment, it starts  
13 with -- or any successful endeavor, it starts with an  
14 investment. We believe that, in the next four years, which  
15 is the time the next bowl cycle comes around, we can build a  
16 game that can attract the highest profile teams from the  
17 best conferences -- like the Mountain West which is a great  
18 partner of us -- ours -- and bring more visitors to our  
19 community and build upon what we've done in year one,  
20 incrementally, until that bowl cycle starts anew.

21                   I guess what's most important is, we  
22 believe -- and frankly, in that four-year cycle, we can't  
23 wait for the completion of the Downtown hotels. We believe  
24 that Downtown can be an electric HUB with media, fans,  
25 teams, events all based out of downtown. Because

1 Downtown -- that conversation doesn't happen anymore about  
2 what we are going to do about Downtown. Downtown now  
3 exemplifies the best of our community, which is exactly  
4 within the mission statement of the bowl game and I know  
5 exactly within the mission statement of the Rio Nuevo Board.

6 In conclusion -- I know I'm an attorney and  
7 I've got a microphone, so I will cut myself off in my  
8 spare -- I'm not here to talk to you as an attorney or as an  
9 assistant high school football coach or even as the unpaid  
10 chairman of the Arizona Bowl Association. As a community  
11 activist, I truly believe that the mission and efforts of  
12 the Arizona Bowl and the Rio Nuevo -- Rio Nuevo Board are  
13 completely aligned. And I think it's a partnership that can  
14 endure for years to come so that together we can build an  
15 event that our community can be proud of for many years in  
16 the future. And with that, I will stop and answer  
17 questions.

18 TREASURER SHEAFE: Let me ask you a question.  
19 If we step up and become a benefactor here, how does that  
20 help you put together the other monies that you would need  
21 to launch and be fully funded from commitments so that you  
22 can get going now rather than just two months before the  
23 actual game?

24 MR. FARHANG: That's a fair question.

25 First of all, we have more time and we've

1 already started on the preparations for next year.

2                   Second, every successful bowl game has  
3 community support. We -- we did what we did last year  
4 without really -- except for Visit Tucson and Rio Nuevo  
5 Board for the downtown block party, we didn't really have  
6 the community support. With community support in place, we  
7 believe that we can build upon private sponsorships; we can  
8 build upon building excitement with our local community;  
9 and, frankly, we can build a reservoir so that when we start  
10 negotiating with new conferences and with TV, they know that  
11 the community is -- all aspects of the community are  
12 dedicated and committed to building the event and that it  
13 will attract these kinds of teams that we want. It will  
14 attract a first or second place team from the Mountain West  
15 or from another conference.

16                   So with the -- with the amount of payouts  
17 that the Chairman talked about -- and it's really the first  
18 question that was ever asked of us, whether it be from the  
19 private sector or from bowl officials from conferences, the  
20 first question they ask is, how much is your community  
21 dedicated to this game. And we believe that a partnership  
22 with the Rio Nuevo Board and District will really go a long  
23 way to building the kind of event that we want to -- that we  
24 want to build for the future.

25                   MR. MARQUEZ: I have a question.

1                   CHAIRMAN McCUSKER: Go ahead, Edmund.

2                   (Mr. Hill returns to proceedings.)

3                   MR. MARQUEZ: Thank you, Ali, for joining us  
4 here today.

5                   Last year I voted for and I attended the  
6 Tucson -- the Downtown block party. I really enjoyed it. I  
7 thought it was fantastic for Downtown. The restaurants were  
8 packed. It was a great -- I was hanging out with Ray back  
9 there. We had a great time. Great to see Downtown hoping  
10 on such a -- what's traditionally a slow week.

11                  Those monies we spent with the Arizona Bowl,  
12 which I believe were very well spent, directly affected our  
13 Downtown. And so this dollar amount is a lot more than we  
14 put into last year. I would like to -- whether we can do a  
15 motion or we can discuss it, I would love to see more of a  
16 concrete plan in a return almost like we were purchasing  
17 advertising. What we were spending with the Arizona Bowl, I  
18 would like to see an actual concrete plan on how those  
19 dollars would help us.

20                  You're talking about another bigger, grander  
21 block party. I'd actually like to see, in black and white,  
22 how these additional funds, which is quite an increase,  
23 would actually affect and benefit our Downtown restaurants  
24 and our hotel and different businesses down here.

25                  MR. FARHANG: Well, the numbers are that the

1 restaurants, on what we did last year, it was about a 15 --  
2 I mean, it was more than a 15 to 20 percent increase in  
3 business. In fact, it was basically nothing to 5 deep in  
4 the restaurants.

5 But what we're here talking to the Board  
6 about is not just your money. I don't -- we don't want just  
7 your money. We want to develop a true partnership with the  
8 Rio Nuevo Board. And we wouldn't ask for anything less  
9 because you're a significant sponsor of the event.

10 So when you talk about concrete plans, it's a  
11 little bit of a chicken and egg. With a foundation of a  
12 concrete partnership, that's for us to now talk about with  
13 each other, is what do we want to do? How can we  
14 incorporate the Tucson Convention Center with respect to the  
15 game? How can we have a grander block party? Maybe it's  
16 not just one night. Maybe it's multiple nights. The hotels  
17 get completed. We've got the teams, the fans, the bands in  
18 those hotels.

19 This should be the center of the game and the  
20 focus of the game. And what I'm really asking for is for  
21 you to be a part of that discussion so we can do what's in  
22 the best interest of our community.

23 CHAIRMAN McCUSKER: And I think what's  
24 Edmund's driving at -- and it might be something you can  
25 commit to with details to follow -- our geography is pretty

1    parochial.  You know, you're in it.

2                    You know, so any money that we invest, what  
3    might be good for the greater Tucson is not necessarily our  
4    mission.  We want to drive business to our geography, to our  
5    restaurants, our museums, our hotels that are developing,  
6    beds and breakfasts, whatever.

7                    You know, and so I think what we want to know  
8    that Arizona Bowl's committed to do.  It's not just host a  
9    bowl game and invite people to come to Tucson but host a  
10   bowl game that drives anybody and everybody Downtown.  And I  
11   know you did that last year.

12                   But is there -- do you have something  
13   contractual we can do with the game that kind of speaks to  
14   our mission?  Is there some sort of deliverables that -- you  
15   know to -- this is kind of what you're after, I think.

16                   MR. RITCHIE:  Fletcher -- if I may offer you  
17   an assist, Ali -- in Tempe where they have the Tempe Block  
18   Party every year, it's the bowl game.  Before it was the  
19   Fiesta Bowl; now it's the --

20                   MR. FARHANG:  It's still the Fiesta Bowl but  
21   there's also the Cactus Bowl.

22                   MR. RITCHIE:  The Cactus Bowl.

23                   So that was built around -- that whole  
24   event -- the football game.  The Mill Avenue party, a  
25   hundred thousand people, you know, at that event.  Lots of

1 money going through. So I mean, it is a little bit  
2 difficult.

3 I would say that I'm as fiscally conservative  
4 as anybody on this Board and have been and you guys know how  
5 I've voted over the past few years. But the whole  
6 mission -- and I don't know if we're asking for a vote right  
7 now -- but my argument would be the whole mission is to  
8 drive people into our district. The university football  
9 stadium is only a mile and a half away, a streetcar away.  
10 The hotel will be downtown, restaurants, maybe more hotels.  
11 And this is -- this is going to be the spark plug.

12 I mean, this is, again, probably the most  
13 fun, exciting meeting I've been part of in five years  
14 because we're not talking about sidewalks or park easements.  
15 You know, it's about investments back into Downtown.

16 And I, for one, have always said, okay, what  
17 is -- it's great to have restaurants and bars and business.  
18 But we have to have events that drive people Downtown. And  
19 I guess maybe it could be a one-year deal. It doesn't have  
20 to be a long-term, binding deal. Because, ultimately it  
21 would be great because if we give them the -- kind of the  
22 push to get moving forward, another business will come in  
23 and say, hey, we want to be a million or million-and-a-half  
24 dollars sponsor on this bowl game.

25 The other thing too is, I think that people

1 have to have skin in the game. And I think a lot of us  
2 have. Last year, we had skin in the game, my business. We  
3 invested \$7,500. It wasn't a lot but it was -- it was  
4 enough. And we helped sponsor the military. And so we were  
5 also able to help out and buy tickets for servicemen and  
6 women out at DM and at Fort Huachuca.

7 So the -- everybody wins in this game. And  
8 by having more money to offer the teams, we're going to get  
9 teams that travel better. So it's -- it's -- you know, it's  
10 just a process.

11 So I like what Mark -- Edmund said for you to  
12 put something together. But I wouldn't hold your hat on  
13 that it could be concrete.

14 TREASURER SHEAFE: Let me ask a quick  
15 question.

16 Hey, Dan, doing some quick math, if you took  
17 20 million and you said, you know, 2/3 of it is actually  
18 spent within the District, what would that be on return,  
19 actual revenue gain, just doing some quick . . .

20 MR. MEYERS: Real quick, does that work out  
21 to --

22 CHAIRMAN McCUSKER: 400,000 -- over 12  
23 million, right? 2/3 of 20.

24 MR. MARQUEZ: Yeah.

25 CHAIRMAN McCUSKER: Yeah, so . . .

1                   TREASURER SHEAFE: Well, that's what I came  
2 up with but I wanted to confirm it.

3                   CHAIRMAN McCUSKER: Yeah. It's unbelievable.

4                   TREASURER SHEAFE: It's like a wash.

5                   And so the real question comes down, does it  
6 help you more if we put it up in the form of a match versus  
7 just becoming a sponsor?

8                   MR. FARHANG: I honestly don't know the  
9 answer to that. And obviously, the Board -- I think that  
10 becoming a sponsor is -- aligns more with kind of the  
11 vision. And I'll give you the vision, which is it's  
12 consistent with everything that you did today and what you  
13 do every day.

14                   I see with -- between the stadium and  
15 Downtown, the streetcar. And I see the -- basically all the  
16 activity for this bowl game happening down that corridor,  
17 everything happening Downtown.

18                   And as things continue to progress Downtown,  
19 the more we can do. When the hotels come in place, we can  
20 put the teams in there.

21                   So you asked me for a -- you know, for a  
22 commitment or some sort of statement as to what we wanted to  
23 do with the Downtown, every -- it has everything to do with  
24 Downtown. Downtown is an integral part of what we need to  
25 do in order for this game to be truly -- to get to where we

1 want it to go.

2 CHAIRMAN McCUSKER: Somebody make a motion.

3 TREASURER SHEAFE: Yeah. Well, the motion  
4 would be that we support the request to become a major  
5 sponsor for the next year based on the commitment from the  
6 Arizona Bowl Committee that they will direct their events to  
7 Downtown-oriented events.

8 CHAIRMAN McCUSKER: Put a number in there.

9 TREASURER SHEAFE: And the number is 400  
10 because that's the number that's in the notes.

11 CHAIRMAN McCUSKER: Okay.

12 MR. RITCHIE: Second.

13 CHAIRMAN McCUSKER: Michele, call the roll.

14 MS. BETTINI: Edmund Marquez?

15 MR. MARQUEZ: Aye.

16 MS. BETTINI: Mark Irvin?

17 SECRETARY IRVIN: Aye.

18 MS. BETTINI: Chris Sheafe?

19 TREASURER SHEAFE: Aye.

20 MS. BETTINI: Jeff Hill?

21 MR. HILL: Aye.

22 MS. BETTINI: Cody Ritchie?

23 MR. RITCHIE: Aye.

24 MS. BETTINI: Fletcher McCusker?

25 CHAIRMAN McCUSKER: Aye.

1 (The Board voted and the motion carried.)

2 MR. FARHANG: Thank you very much.

3 CHAIRMAN McCUSKER: Now let's go play  
4 football.

5 MR. FARHANG: Yeah. Thank you.

6 CHAIRMAN McCUSKER: Can you do something with  
7 the Coyotes?

8 MR. FARHANG: Absolutely.

9 CHAIRMAN McCUSKER: Okay. Ali, we --

10 MR. FARHANG: I have 3.2 things. I've  
11 thought about it.

12 MR. RITCHIE: What that other thing you  
13 always like to say?

14 MR. FARHANG: So I'd just ask the Board what  
15 time it is?

16 MR. RITCHIE: Game time.

17 TREASURER SHEAFE: You know, for what it's  
18 worth, you guys put together a hell of an event. And I've  
19 had -- we walked into your schedule. And for a guy who  
20 hourly bills, to dedicate that kind of time, and, frankly --

21 CHAIRMAN McCUSKER: Now, don't --

22 MR. RITCHIE: Easy job.

23 TREASURER SHEAFE: Well, you know, he -- I  
24 just want to say, I -- you know, people do these things,  
25 what Ray did and -- with NOVA and whatnot, it was amazing.

1 When it first came up, I was concerned that it might turn  
2 out to be a real dud. And it was amazing how you guys put  
3 that together in just a matter of days. I can't imagine all  
4 the late nights you put in.

5 MR. FARHANG: Well, I want to just say thank  
6 you. I know you already voted unanimously for the  
7 partnership, and I appreciate that.

8 But I got to just add one more thing, and  
9 that is what's gratifying to somebody that's born and raised  
10 in Tucson is to see the community come together and how  
11 business leaders like Cody, like Ray Desmond, like others on  
12 the Board, like others in the crowd here, it was one of the  
13 most amazing things I've ever seen.

14 So really, the success has to do with us  
15 collectively, but thank you very much.

16 CHAIRMAN McCUSKER: Ali, good luck.

17 MR. FARHANG: Thank you.

18 CHAIRMAN McCUSKER: Item No. 12 should be a  
19 no-brainer, right, Mark? Just kind of technical stuff?

20 MR. COLLINS: Yeah, this is -- Mr. Chairman,  
21 Members of the Board -- we're back to sidewalks, Cody --  
22 this is -- we talked about it a little bit last month. This  
23 has to do with granting an easement to Southwest Gas.

24 Michele is bringing you pictures. All that  
25 this involves is Southwest Gas is improving its pipeline

1 that normally goes under Cushing Street. They can't put a  
2 bigger pipeline under Cushing Street because of all of the  
3 electricity and communications outside of Fire Station 1.  
4 So they've asked for a 10-foot wide easement over our --

5 CHAIRMAN McCUSKER: Parking lot.

6 MR. COLLINS: -- parking lot.

7 And we've got an agreement negotiated that  
8 requires them to get virtually all the work done by the 15th  
9 of June. It will not interfere with SMG. We coordinated it  
10 with the City. They've got a temporary construction  
11 easement that's 50 feet wide. As soon as the construction  
12 is done, they will have a permanent easement that is 5 feet  
13 on either side of the center line of where the pipe actually  
14 gets installed.

15 On the picture that you see, you'll see a  
16 little square there. That may have to have some work done  
17 after the deadline of the middle of June. If it is, we have  
18 provisions in that for payment of alternative parking spaces  
19 if it interferes with SMG.

20 I think we've covered the bases that you  
21 folks pointed out to me.

22 CHAIRMAN McCUSKER: We don't lose any  
23 parking, right?

24 MR. COLLINS: Correct.

25 CHAIRMAN McCUSKER: They're in, they lay the

1 pipe, and everything goes back.

2 MR. COLLINS: Correct.

3 CHAIRMAN McCUSKER: I would entertain a  
4 motion.

5 SECRETARY IRVIN: I got a question first.

6 So, Mark, I know we talked about this before.  
7 But right where that little node is, this proposed new main  
8 on private property, I know we had a discussion about  
9 pushing that closer to Cushing --

10 MR. COLLINS: Yes.

11 SECRETARY IRVIN: -- so it follows along that  
12 alignment. And my concern there is, you know, that's a --  
13 you know, we're covering up parking spaces and we decide,  
14 just hypothetically, that we wanted to go build something on  
15 that lot and do more parking. I'm a little concerned about  
16 why we wouldn't push that new main closer to Toole.

17 Is there a way in that to do that? Right now  
18 it kind of takes that little -- funny little jog. And I  
19 don't know why --

20 MR. COLLINS: You mean right in front of Fire  
21 Station 1?

22 SECRETARY IRVIN: Yeah, correct.

23 TREASURER SHEAFE: He's saying Cushing.

24 CHAIRMAN McCUSKER: Cushing. He means --

25 MR. COLLINS: Cushing, you mean, yeah.

1                   SECRETARY IRVIN: I'm sorry. I meant  
2 Cushing. You should read my mind.

3                   MR. COLLINS: Well, this is not even an  
4 artist's depiction of it. The concept -- and I believe the  
5 language of the agreement -- requires them to do as close to  
6 the right-of-way. There's a right-of-way here. As close to  
7 do the south side of our property -- your property as we  
8 can.

9                   The jog, I'm not familiar with. I can -- we  
10 can deal with that, Mark.

11                  SECRETARY IRVIN: Yeah.

12                  MR. COLLINS: But the way the permanent  
13 easement is written, we will have the ability to have  
14 parking spaces above, on top of it.

15                  SECRETARY IRVIN: Right.

16                  MR. COLLINS: If you're going to put a  
17 parking garage the, it probably -- it's going to be a  
18 different deal.

19                  SECRETARY IRVIN: Right. So I guess I'd like  
20 to make a motion to move forward with maybe a little  
21 instruction to you to go and see if we can't push that line  
22 closing to Cushing Street rather than that funny little L  
23 they've got there.

24                  MR. COLLINS: I'll make sure that it is as  
25 close as practicable. Does that work?

1 SECRETARY IRVIN: That's fine.

2 CHAIRMAN McCUSKER: I'm not sure that a word.

3 MR. COLLINS: It is a word.

4 CHAIRMAN McCUSKER: I don't remember that  
5 one.

6 Make a motion.

7 SECRETARY IRVIN: That was my motion.

8 CHAIRMAN McCUSKER: So seriously, let's  
9 summarize what we were doing.

10 SECRETARY IRVIN: The motion was to move  
11 forward as presented in the drawing subject only to the  
12 alignment that skirts along Cushing Street where it has the  
13 rather strange push out across the parking space, that we  
14 try to have them redesign that so it follows along the  
15 contour of the road.

16 How was that?

17 MR. COLLINS: As close as practicable.

18 SECRETARY IRVIN: Right. As close as  
19 practicable.

20 CHAIRMAN McCUSKER: Second, please?

21 TREASURER SHEAFE: Second.

22 CHAIRMAN McCUSKER: All in favor, say aye.

23 (Ayes.)

24 CHAIRMAN McCUSKER: Any opposed, nay.

25 (The Board voted and the motion carried.)

1                   CHAIRMAN McCUSKER: Okay. There you go.

2                   (Mr. Ritchie left the proceedings.)

3                   MR. COLLINS: Back to streets before Cody  
4 left.

5                   CHAIRMAN McCUSKER: Item 13. John, thanks  
6 for hanging in there with us. You have a lot of fun things  
7 to go back and talk to the merchants about.

8                   There are two items on our agenda that are  
9 designed to support our Downtown merchants and Downtown  
10 merchants exclusively. John Jacobs is here from the  
11 merchants association. John is the president of our  
12 Downtown merchants.

13                   John, I'll have you come up. But the first  
14 item, John, I think, is this our third year of Summer in the  
15 City?

16                   MR. JACOBS: Yes, sir.

17                   CHAIRMAN McCUSKER: This is the third year of  
18 a program called Summer in the City where -- you may have  
19 seen the merchants issue coupons, they provide discounts to  
20 our Downtown merchants over the summer which is typically a  
21 slow season. John is looking for a modest amount of support  
22 for that program, 2500 bucks.

23                   And then while we're talking to John, there's  
24 a Chamber proposal in your packet. This is a very  
25 interesting opportunity for us. The Tucson Chamber of

1 Commerce, the Metro Chamber, has offered to create a  
2 Downtown division designed to support our downtown  
3 purchases. The kind of overall membership cost is \$5,000.

4 And then merchants would be able to join the  
5 Chamber at a dramatically discounted amount. But they would  
6 create some focus on Downtown, Downtown events, merchant  
7 advocacy, et cetera, et cetera. It's a real opportunity to  
8 further enhance the merchants due of the Chamber discounts,  
9 participating in the Chamber health plans, et cetera.

10 Mr. Irvin, I know you're on the Chamber  
11 Board. So I expect you will probably recuse yourself at  
12 that portion of the conversation.

13 SECRETARY IRVIN: Yes, I would like to.

14 CHAIRMAN McCUSKER: So talk to us first,  
15 John, about the Summer in the City program.

16 MR. JACOBS: Mr. Chairman, thank you.

17 Members of the Board, I'm John Jacobs. I run  
18 the Downtown Merchants Association. I've been chair for, I  
19 think, going on three years now.

20 A lot has changed down here. Three years  
21 ago, right after the streetcar construction the merchants  
22 downtown were having a pretty hard time. So we all came  
23 together, sat down and figured out, you know, how do we --  
24 how do we take the edge off of the summers. They're pretty  
25 hot here. And the merchants see sales drop about 30 to

1 40 percent depending on the business.

2                   So at about three weeks or so, when I was  
3 just on the job, we came up with these discount cards. The  
4 142 merchants, 143 merchants or so that participate in this  
5 program last year -- it's called the Summer in the City  
6 program. We got Tucsonsummer.com. I own a web company, so  
7 we built the website that supports the program. If you go  
8 to Tucsonsummer.com, you can see all the discounts broken  
9 own by District.

10                   These are all the merchants along the  
11 streetcar line. With the streetcar came a unprecedented  
12 collaboration between the districts, so now we refer to  
13 ourselves as districts, Downtown District, Fourth Avenue  
14 Merchants Association, Main Gate Square, Mercado.  
15 University of Arizona came on board and played with us last  
16 year as well.

17                   (Mr. Ritchie returned to the proceedings.)

18                   MR. JACOBS: So 143 merchants along the  
19 streetcar line, all downtown area participate in this  
20 program every summer. Merchants -- these participating  
21 merchants sell these cards. They put the 5 bucks right in  
22 the register, make a little bit of money on these cards.  
23 There's 50,000 of these cards, 50,000 cardholders. It  
24 drives business into our -- into our merchants all summer  
25 long. So they make the money on the card.

1                   We're pushing these things into Sonora,  
2 Mexico this year. We've partnered with Visit Tucson. It's  
3 the most successful marketing cooperative, merchant  
4 cooperative that I've ever seen in the City, and I grew up  
5 here. This is my hometown.

6                   So I run the program as the chairman of the  
7 downtown merchants. I don't know if I'll run it forever.  
8 I'm running it again this year. This is our third year.

9                   We'll see these things all over downtown all  
10 along the streetcar. If you have one of these cards, you  
11 can save thousands of dollars. Buy-one-get-one-free lunches  
12 the new El Charro. The new Charro restaurant's involved.  
13 Of course, every merchant that you guys know and love down  
14 here. I work with all these guys. They're pretty excited  
15 about this program.

16                   Like the Chairman said, I lost about, all  
17 said and done, about \$2,000. I run it through one of my  
18 companies to run this program. I don't charge for my time.  
19 I do this for free. I lost about 2,000 bucks last year. I  
20 think I'll cover my costs this year. A couple thousand  
21 dollars gets us over the hump, keeps me in for another year.

22                   Possibly Visit Tucson takes over this  
23 program. The infrastructure's in place, website's in place,  
24 merchant lists are in place. Everything's in place.  
25 They're costs will be triple what I can run it for. But

1 they have a larger budget than -- than the merchants do  
2 out-of-pocket.

3 So what we're asking for is a show of  
4 support. But I think, more importantly, I can run this  
5 program out of my pocket if I have to.

6 This is a great collaboration between all of  
7 these merchants down here that we've been talking about,  
8 ringing the register with the bowl games and with ice --  
9 with ice rinks.

10 By the way, I grew up playing at Iceoplex  
11 here in Tucson. I lost a tooth to the sport. My  
12 son absolutely -- we went to Dallas for Christmas. My son  
13 absolutely loves hockey how. He's 9 years old. He'd love  
14 to play in this town. So I think that that's a no-brainer.  
15 And the merchants would be wholly behind that proposition.  
16 I applaud what you guys did here today.

17 CHAIRMAN McCUSKER: John, do we get some sort  
18 of placement on the card or some branding?

19 MR. JACOBS: Yes, sir.

20 CHAIRMAN McCUSKER: Talk about that.

21 MR. JACOBS: In the last couple of years, I  
22 haven't put any branding on the cards at all. This year,  
23 Visit Tucson's logo will be on the card. The four main  
24 sponsors of the program -- the Fourth Avenue Merchants  
25 Association, Downtown Merchants, such as DTP sponsors this

1 program, and then Main Gate Square and Mercado. And you  
2 guys would be on the card as well.

3 So 50,000 of these cards in the distribution.  
4 I think it sends a pretty powerful message not only to folks  
5 in the city that absolutely love these cards that save a lot  
6 of money but to the merchants.

7 You know, over the last couple of years, the  
8 merchants have had a tough time with the streetcar and this  
9 and that. The relationship between Rio Nuevo and the  
10 merchants is a lot stronger than it's been in the past. I  
11 would love to put Rio Nuevo's logo on this -- on this  
12 program and on the website and in all the ads.

13 We do about a hundred thousand dollar  
14 marketing campaign. My total program cost for this last  
15 year was about \$35,000. Banners all up and down the  
16 streetcar line. We work with the City on that. I think  
17 it's a great fit and it's a good message to show to the  
18 merchants so that when I go back to these guys and say, hey,  
19 look, we really need to support the Arizona Bowl or we need  
20 to support this initiative or that initiative, you know, we  
21 have a strong partnership and relationship there. And now  
22 these merchants understand that, you know, you've got to  
23 take care of your friends because we're all talking care of  
24 each other.

25 CHAIRMAN McCUSKER: Do you attract the

1 economics? Do you know what revenue these cards generate  
2 and we would know what sales tax? Do you have that kind of  
3 data? Can we get that kind of data?

4 MR. JACOBS: Yeah. I can get it. There's a  
5 cost associated with harvesting that. The data that I --  
6 the easy data that I can get is hundreds of thousands of  
7 visits to Tucsonsummer.com. I can -- the anecdotal data  
8 from the merchants, I do have a number of cards that are  
9 sold. The merchants pay tax on those cards that are sold.  
10 We sell about 20,000 of these cards.

11 CHAIRMAN McCUSKER: Tell me about how -- so  
12 somebody buys the card, for what?

13 MR. JACOBS: Five bucks.

14 CHAIRMAN McCUSKER: And they pay TPT tax  
15 on -- there's a tax on that?

16 MR. JACOBS: Yes, sir.

17 CHAIRMAN McCUSKER: So that's really where  
18 our revenue starts, right?

19 MR. JACOBS: Yes, sir.

20 CHAIRMAN McCUSKER: 50,000 cards, \$5 apiece,  
21 and they all pay tax on it?

22 MR. JACOBS: Yes, sir. And to be -- to be  
23 fair, we get --

24 CHAIRMAN McCUSKER: Do you file on the TIF?

25 MR. JACOBS: -- we get -- well, I pay taxes

1 with Rally Media Solutions.

2 CHAIRMAN McCUSKER: Where do -- where do --  
3 who files these tax returns?

4 MR. JACOBS: My company's in the city, so I  
5 pay taxes on anything that I sell through my company, Rally  
6 Media Solutions. The merchants each pay --

7 CHAIRMAN McCUSKER: So the merchant's sell  
8 it. It goes in their revenue.

9 MR. JACOBS: Yes, sir.

10 CHAIRMAN McCUSKER: Okay. Very good.

11 MR. JACOBS: A dollar of the card -- a dollar  
12 of every card sold goes to funding the marketing campaign.  
13 Like I said, last year, it was about a hundred thousand  
14 dollar mark in the campaign, \$40,000 on one radio -- or TV  
15 station, 36 on another. They want the dollar --

16 CHAIRMAN McCUSKER: Mr. Marquez, you have a  
17 question?

18 MR. MARQUEZ: I'd like to make a motion.

19 CHAIRMAN McCUSKER: Go ahead.

20 MR. MARQUEZ: That we approve supporting  
21 Summer in the City. I think it's fantastic.

22 SECRETARY IRVIN: Second.

23 CHAIRMAN McCUSKER: Add the amount, please.  
24 You've got to fill in the amount.

25 MR. MARQUEZ: Yeah. \$2,500.

1                   CHAIRMAN McCUSKER:  There you go.

2                   SECRETARY IRVIN:  Still second.

3                   CHAIRMAN McCUSKER:  The motion is seconded to  
4 support this program to the tune of 2500 bucks.

5                   All in favor, say aye.

6                   (Ayes.)

7                   CHAIRMAN McCUSKER:  Any nays, nay.

8                   (The Board voted and the motion carried.)

9                   CHAIRMAN McCUSKER:  Okay.  Let's move on to  
10 the Chamber conversation.

11                   (Mr. Irvin left the proceedings.)

12                   CHAIRMAN McCUSKER:  John, I kind of  
13 paraphrased it.  Did I do justice to what you're trying to  
14 accomplish in your partnership with the Chamber?

15                   MR. JACOBS:  Yes, sir.  I think so.

16                   You know, the merchant's organization is  
17 formed under the bylaws of the Downtown Tucson Partnership.  
18 We function as a standalone organization that advocates for  
19 merchants in the Downtown area.  We work pretty closely with  
20 the Fourth Avenue Merchants Association and all the  
21 merchants along the streetcar line.

22                   In the past years, I think there's been a  
23 struggle to -- to -- for -- to put internal controls into  
24 the organization so that it can survive past the Board of  
25 Directors or the leadership committee right now.

1                   I chair the board, I'm getting to the point  
2 where I may not chair the board for much longer. We're  
3 looking for pieces of structure to put into place to breathe  
4 a little bit more life into this organization and give us  
5 a -- maybe a more proactive roll in being able to advocate  
6 for the businesses down here. That includes a stronger  
7 relationship with Rio Nuevo. But the Chamber of Commerce  
8 makes a lot of sense as well. Their interests align very  
9 well with the merchants in the Downtown area.

10                   So we do have some interest from the  
11 merchants in the Downtown area. These are smaller merchants  
12 and merchants that -- you know, they're not -- these aren't  
13 multimillion dollar merchants. These are maybe "a couple  
14 hundred thousand dollars a year" merchants that trying to  
15 level up their businesses. They've had some tough times in  
16 the past. They're interested in Chamber memberships, but  
17 sometimes the Chamber memberships may be a little outside  
18 their reach.

19                   The Chamber is interested in a -- in a  
20 collaborative partnership in which we can bring a lot more  
21 of these merchants in. I think that we can safely -- we can  
22 safely put 20 to 30 merchants into this program and give  
23 them additional support through the Chamber and that support  
24 and the structure that these merchants didn't necessarily  
25 have in the past beyond the Downtown Tucson Partnership.

1                   CHAIRMAN McCUSKER:  And the price on that's  
2   5 grand, right?

3                   MR. JACOBS:  Yes, sir.  It's a \$5,000 annual  
4   membership.  And then we'd have a representative from the  
5   merchants that would advocate on behalf of the downtown  
6   merchant's body.

7                   TREASURER SHEAFE:  How do we control whether  
8   or not that business that joins is in or outside the TIF?

9                   CHAIRMAN McCUSKER:  We can make only the  
10  people that are eligible for the discount have to be within  
11  the TIF boundaries and manage it with the Chamber directly.

12                  MR. JACOBS:  I believe that's what Mr. Barney  
13  and I -- and we discussed.  Because we would actually draw  
14  the -- maybe a --

15                  TREASURER SHEAFE:  A lot of businesses are  
16  Hispanic.  And the Tucson Hispanic Chamber is also a very  
17  big factor.  This is one side of the --

18                  CHAIRMAN McCUSKER:  We've not talked --

19                  TREASURER SHEAFE:  -- Chamber.  What about  
20  the Hispanic Chamber?

21                  CHAIRMAN McCUSKER:  We've not talked to  
22  the -- you know, I mean, I think if this is established, it  
23  gives you an opportunity to maybe go to the Hispanic Chamber  
24  and try and get them to match it.

25                  They still run -- this is kind of a

1 collective membership. Most Chambers, as you know, are  
2 individual business memberships and they're out of reach for  
3 most of these small merchants. You know, so it might be an  
4 interesting conversation with the Hispanic Chamber.

5 This is just for the Tucson Metro Chamber.

6 MR. JACOBS: There's certainly a challenge  
7 with some of the businesses that we have Downtown that  
8 are -- English is their secondary language. I've talked to  
9 five or seven -- about 7 now -- businesses right around --  
10 right around Toole Avenue, Alejandro's Cafe, Bernardo's, the  
11 new seafood and wings place. They don't know who to talk to  
12 in the City. They don't know how to advocate for  
13 themselves.

14 I recommended that they go to the Chambers.  
15 I advocate on their behalf as much as we can possible can.  
16 I think there's a void there. The Chamber of Commerce just  
17 recognized that void perhaps before the Hispanic Chamber of  
18 Commerce did. But I think that it opens the door with this  
19 type of pilot program.

20 Mike Barney put this program together,  
21 approached us about it. We thought it was a good idea,  
22 polled our members. There was interest from the members.  
23 So there's definitely a need for this. And I think we can  
24 progress with the conversation with the Hispanic Chamber of  
25 Commerce if they want to --



1 that it looks like Rio Nuevo becomes the member of the Metro  
2 Chamber.

3 CHAIRMAN McCUSKER: No. We would just  
4 sponsor the Downtown Partnership. I think -- you know, they  
5 were pitching us. But I don't think we want to be a member  
6 of the Chamber.

7 MR. JACOBS: So the difference between Fourth  
8 Avenue Merchants Association and Downtown Merchants is we're  
9 an all-volunteer organization with no fundraising  
10 capabilities. We're not organized. There is no legal  
11 structure. We're only organized under the bylaws of the  
12 DTP. Until we set out to form an organization like the  
13 Fourth Avenue Merchants Association -- which is not  
14 necessarily something I ever wanted to fund or take on  
15 personally, but maybe in the future -- we don't have  
16 fundraising capabilities.

17 So other than -- this program breaks even.  
18 That's about the -- that's the largest, most collective  
19 thing that the Downtown Merchants do. Before the last  
20 couple of years, there was no organization down here that  
21 represented and advocated for this merchant body. And  
22 there's 160, 170 -- and growing all the time -- merchants  
23 down here that all have specific needs. So at some point,  
24 there needs to be an organization down here that has a  
25 fundraising -- some sort of fundraising arm that either does

1 a Toole Street fair or a downtown fair or some type of event  
2 like FAMA. We're not at that point yet.

3 Right now we're trying to put more structure  
4 in place. We're a couple of years down the road. We've put  
5 some great programs in place. We've got, you know, Tucson  
6 change meters coming up. That's a merchant collaborative  
7 with all the merchants along the streetcar line where we  
8 take all the old City of Tucson meters and reconstitute them  
9 as collection devices for homeless programs. It's a  
10 merchant-driven initiative.

11 There's a lot of great talent down here.  
12 These folks are smaller businesses. But you give them two  
13 years and they're going to continue to grow. And there's a  
14 whole heck of a lot going on.

15 CHAIRMAN McCUSKER: -- we just have them  
16 replace the Downtown Merchants Association. So we're  
17 basically just the financial sponsor. All the benefits of  
18 membership are to the merchants themselves.

19 MR. MARQUEZ: These are annual memberships.  
20 Are you asking us for an ongoing commitment or one year?

21 MR. JACOBS: You know, I would submit that we  
22 set up a structure until -- maybe for the next couple years  
23 until we can figure out how to self-sustain this  
24 organization -- this organization in two years.

25 I've made a -- I've made a commitment to the

1 Chairman that I would stick around long enough to get this  
2 organization to the point where it can stand on its own.  
3 After a couple of years, almost three years of doing this,  
4 I'm a little tired. But I also don't want to put this  
5 organization down.

6 So one of the things that I'm committed to is  
7 getting this organization to the point where it can survive  
8 without me. And so for the next couple of years -- if -- if  
9 there's a benefit from the Chamber that makes sense, we'll  
10 fundraise for it at some point. But I'll have to -- I'll  
11 have to talk to an attorney and set up an organization that  
12 makes sense for us.

13 MR. MARQUEZ: To Chris' point in regards to  
14 the Hispanic Chamber -- Hispanic Chamber is actually the  
15 largest Chamber in Southern Arizona, second largest in the  
16 State, top five in the County -- I would love to see this at  
17 least brought to the Hispanic Chamber as well, especially on  
18 behalf of Alejandro's and the others --

19 MR. JACOBS: Right.

20 MR. MARQUEZ: -- that could use some of that  
21 representation in regards to small business. I mean, I'm in  
22 for --

23 CHAIRMAN McCUSKER: What would be interesting  
24 is if we commit to it and challenge the Hispanic Chamber to  
25 create a similar program.

1 MR. MARQUEZ: Sure thing.

2 TREASURER SHEAFE: And then give the business  
3 owner the option of being in one or the other.

4 CHAIRMAN McCUSKER: Right, right.

5 TREASURER SHEAFE: Because whether they are  
6 part of the Hispanic Chamber or part of the Metro Chamber,  
7 they can work in a committee that's unified, right. And  
8 that way you don't get into that battle, I think.

9 CHAIRMAN McCUSKER: Let's deal with this.  
10 It's a -- it's a specific proposal. It's a membership to  
11 the Metro Chamber. We can work with you on kind of  
12 challenging Lea --

13 MR. JACOBS: Sure.

14 CHAIRMAN McCUSKER: -- the Hispanic Chamber.  
15 What's the Board's pleasure on this \$5500  
16 request?

17 TREASURER SHEAFE: Well, I think we ought to  
18 move to approve that as an allocation and try and build into  
19 the motion the ability to have the option available to the  
20 business owner that they can apply that discount to either  
21 the Metro or Hispanic and just see where it goes. Because  
22 if you have one committee that is members of both, it's  
23 going to put those two Chambers together which is, frankly,  
24 in everybody's interest.

25 CHAIRMAN McCUSKER: That motion needs a

1 second.

2 MR. MARQUEZ: Second.

3 CHAIRMAN McCUSKER: All in favor, say aye.

4 (Ayes.)

5 CHAIRMAN McCUSKER: Any opposed, nay.

6 (The Board voted and the motion carried.)

7 (Mr. Irvin returned to the proceedings.)

8 CHAIRMAN McCUSKER: All right, John. Good

9 job. We'll be in touch on the conversation with Lea.

10 Dan, Michele, software.

11 You just touched on it briefly, Dan. But, we

12 do want to approve some programs. You've identified the

13 costs here. So just fill in the blanks for us on this

14 software program.

15 MR. MEYERS: Yeah. I think this is a

16 proposal to provide us with some hardware.

17 CHAIRMAN McCUSKER: You got to come up here

18 or we'll never get it in the minutes.

19 MR. MEYERS: This is a proposal to have

20 somebody provide us with some hardware; the development

21 costs; and the setup of a database that will allow us to

22 collect the information, primarily with the TIF revenues, so

23 we can monitor who's complying with the TIF situation and we

24 generating revenue from and also be used to market, within

25 the District, merchants just so we can communicate better

1 with them. And you know, I think we're really into trying  
2 to enhance our relationship with our merchants and, of  
3 course, monitor our cash.

4 CHAIRMAN McCUSKER: Who owns this when it's  
5 done? Do we own it?

6 MR. MEYERS: This is all ours, yeah. It's  
7 not a cloud thing. It's not subject to ongoing monthly  
8 fees. And it's all ours.

9 TREASURER SHEAFE: Well, it's just a tool to  
10 make you more efficient and more capable of being able to  
11 monitor who is paying what when, right?

12 MR. MEYERS: Right. I think -- I mean, I'd  
13 like to know, you know, how restaurants are doing, how, you  
14 know, retail. All these different things, we can drill down  
15 and learn more about our merchants and do we can do to  
16 enhance sales from our merchants which puts money in our  
17 pockets and allows us to reinvestment in the community.

18 TREASURER SHEAFE: So you're looking for  
19 funding to give you the ability to go out and make the final  
20 decision and bring it back and say this is what we want to  
21 do and what we're going to by. You need to know that you're  
22 working within the right universe, correct?

23 MR. MEYERS: Yeah. I think we -- we're  
24 asking for \$15,000. We've got one proposal that I think  
25 will -- should come in under or will come in under that.

1 But it gives us a wiggle little room in case we run into a  
2 complication.

3 CHAIRMAN McCUSKER: Mr. Collins, any  
4 procurement issues here? They have solicited a number of  
5 proposals.

6 MR. COLLINS: I think this comes under one of  
7 the administrative expenses. I would suggest that we have  
8 at least three proposals and then you authorize the CFO to  
9 make a decision on which one within the budget.

10 CHAIRMAN McCUSKER: Okie doke.  
11 Somebody make a motion.

12 TREASURER SHEAFE: Well, let's make the  
13 motion that we allocate up to 15,000 for this effort and  
14 we'll authorize the executive officers to make the final  
15 selection and move as quickly as staff is ready to move  
16 after they get three proposals.

17 MR. MARQUEZ: Second.

18 CHAIRMAN McCUSKER: All in favor, say aye.  
19 (Ayes.)

20 CHAIRMAN McCUSKER: Any opposed, nay.  
21 (The Board voted and the motion carried.)

22 CHAIRMAN McCUSKER: Thank you very much.

23 MR. MEYERS: Thank you.

24 CHAIRMAN McCUSKER: I know a lot of work went  
25 into just getting us into a position to do that. Stay

1     there, Dan.

2                     This is kind of voluntary on mine and Dan's  
3     part.  You know -- as you all know BBVA -- it's a mouth  
4     full -- Compass, including local leadership, Mark Mistler,  
5     stepped up big time for us in the purchase of our refund  
6     bond.  They are not a current bank.

7                     Is there any reason, Mr. Collins, that we  
8     can't move money to our new best friends?

9                     MR. COLLINS:  Mr. Chairman, Members of the  
10    Board, no.  I have been in communication with Compass Banks  
11    and Mr. Martin, who is here today.  I've confirmed that if  
12    you moved your funds to Compass Bank, Compass Bank is an  
13    authorized depository and the State-controlled funds that  
14    they have on hand are well beneath the threshold.

15                    So you can make the administrative decision  
16    to do that.  My suggestion would be that it be made public.

17                    CHAIRMAN McCUSKER:  I believe what we've  
18    done -- and Dan controls the movement of money between  
19    banks -- we've currently approved two, Western Alliance and  
20    Bank of Tucson.  All we'd really have to do is add BBVA  
21    Compass as a third and then Dan would be free to make  
22    decisions about where he deposited the funds.

23                    MR. COLLINS:  That's right.

24                    TREASURER SHEAFE:  Well, let's pass that  
25    motion.  And I would like to make the motion that we

1 authorize BBVA as an authorized repository for the District  
2 funds.

3 MR. RITCHIE: Second.

4 MR. MARQUEZ: I have discussion?

5 CHAIRMAN McCUSKER: Go ahead, Mr. Marquez.

6 MR. MARQUEZ: I don't know if this is  
7 discussion or -- I mean, Alliance and Bank of Tucson -- no  
8 disrespect to BBVA Compass -- they are both local banks,  
9 correct?

10 CHAIRMAN McCUSKER: Well, not really.

11 MR. COLLINS: Not really. Not anymore.

12 CHAIRMAN McCUSKER: Western Alliance is a  
13 public company owned by our buddy Robert Sarver. But  
14 they're public -- publicly traded, so not necessarily local.

15 MR. MARQUEZ: Their branches are here though.

16 CHAIRMAN McCUSKER: The Bank of Tucson is now  
17 owned by Grandpoint and not necessarily local. BBVA is  
18 based out of Madrid. So I don't think there is a local bank  
19 anymore.

20 MR. RITCHIE: Well, I would say this though,  
21 that BBVA stepped up in a manner that nobody else has and  
22 allowed us extreme flexibility. And the leadership team has  
23 all been here for if last 15 years, and they are very much  
24 committed to this marketplace.

25 Whereas, a lot of the other big banks have

1 moved local decision-making outside of Tucson. So although  
2 they are not local -- and I speak from experience because  
3 they used to own us -- and they're extremely good partners.

4 I mean, the way they treated us was, you  
5 know, unbelievable to allow us to do what we've done. And  
6 I'm forever grateful to the -- Andrew and Istro (phonetic)  
7 and Scott. And Mark Mistler is probably one of the greatest  
8 assets that Tucson has ever had.

9 So I think the fact that he stood up, I think  
10 it's -- we pretty much owe it to him to --

11 CHAIRMAN McCUSKER: All right. So we have a  
12 motion and a second to authorize BBVA Compass as a  
13 repository for Rio Nuevo funds. Mr. Collins has indicated  
14 they meet the public standards.

15 All in favor, say aye.

16 (Ayes.)

17 CHAIRMAN McCUSKER: Any opposed, nay.

18 (The Board voted and the motion carried.)

19 CHAIRMAN McCUSKER: There you go. Thank you.

20 It's the time set aside for call to the  
21 audience.

22 Michele, do you have any audience members  
23 wanting to chat with us?

24 Thank you.

25 Josefina Cardenas. Good afternoon.

1                   ATTENDEE: First, I would like to  
2 congratulate you of all of your success. And it feels -- I  
3 feel that you are very proud of all of your work and hard  
4 work and time. So we need to always appreciate one another.

5                   But I would also like to remind you, since we  
6 are talking so highly and economic and merchants and money  
7 and -- that we -- Tucson is also one of the highest city in  
8 the United States of high poverty.

9                   So let me bring you back to our level, that  
10 there's a lot of people out there that are struggling and  
11 within the neighborhoods and barrios that are near and  
12 connected to Rio Nuevo.

13                   Some time in the past I reminded you -- or  
14 mentioned to you that there was a City of Tucson/Rio Nuevo  
15 area. So I brought this map for you that reminds -- for the  
16 attorney -- that we're all connected and we're all impacted  
17 of what you are deciding and make plans of and you have made  
18 for today -- decide and make plans of.

19                   And I would like to know how is it that you  
20 work and when these decision are made before you come to the  
21 Board. What is your process?

22                   Because to remind you that Rio Nuevo, in  
23 1999, was voted that we also have heritage, traditional,  
24 cultural preservation within this -- this vote. And some of  
25 our members would like to hear you come back to that. Where

1 is our history in this process? And are you leaving it all  
2 to the City with the West Side development?

3 But I hear you also saying the West Side  
4 Parcel. To us it's the land of Chuk Shon where our elders  
5 made many plans of preservation, of culture, tradition, and  
6 gathered in space.

7 We see it now, as you have mentioned it, it's  
8 the landfill. But during that landfill there was a lot of  
9 impact of our barrios families when it was used as a  
10 landfill. That I am saying, as many others, that there's a  
11 concern of how you're going to be working with that land and  
12 the soil.

13 I'm sure you are very intelligent of how  
14 you're going to go along with this process of the impact of  
15 filling this land of methane gas. What is that -- the  
16 results? Because there's always a consequences of the  
17 decisions that we make.

18 So I'm anxious to hear when you're going to  
19 bring us all together and that you bring us together totally  
20 and not certain individuals. Because we all -- we all have  
21 a voice, and we all have the impact, and we all have been  
22 living in this area and plan to stay there, as well as the  
23 wildlife.

24 If you walk in your parcel that you have  
25 purchased, there's a lot of wildlife there and a lot of

1 significance. And if wildlife are on that land -- I am sure  
2 that the natural wildlife are brighter than us. And if they  
3 are living on this land that we are saying is highly  
4 impacted with methane gas, it can't be so dangerous because  
5 they're there. We really have real coyotes, coyotes, living  
6 on that land as well as so many others.

7                   So I invite you, Don Cody -- as you have  
8 toured other sites -- and Don Fletcher as well as Don  
9 Marquez that would tour that land and see, as well as our  
10 children. Our children also are significant and have a life  
11 that deserve to be invested in.

12                   Bueno. So I'm always be here.

13                   CHAIRMAN McCUSKER: Josefina, where do you  
14 reside?

15                   ATTENDEE: In Barrio Kroeger Lane.

16                   CHAIRMAN McCUSKER: In Kroeger. Thank you.  
17 thank you.

18                   ATTENDEE: And we're all together. Gracias.

19                   CHAIRMAN McCUSKER: Thank you very much.

20                   MR. MARQUEZ: Thank you.

21                   CHAIRMAN McCUSKER: I can entertain a motion  
22 to adjourn.

23                   TREASURER SHEAFE: So moved.

24                   CHAIRMAN McCUSKER: Second?

25                   MR. MARQUEZ: Second.

1                   CHAIRMAN McCUSKER: All in favor, say aye.

2                   (Ayes.)

3                   CHAIRMAN McCUSKER: See you in May. Great  
4 meeting.

5                   (The meeting concluded at 3:57 p.m.)

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C E R T I F I C A T E

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

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John Fahrenwald