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RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

TUCSON, ARIZONA

MAY 14, 2015

Reported by:

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AZ CCR 50493

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2819 East 22nd Street

Tucson, AZ 85713

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1 BOARD MEMBERS PRESENT:

2 FLETCHER McCUSKER, Chairman

3 JEFFREY HILL

4 CHRIS SHEAFE

5 MARK IRWIN

6 JANNIE COX

7 CODY RITCHIE

8

9 ALSO PRESENT:

10 Mark Collins, Board Counsel

11 Michelle Bettini, Operations Administrator

12

13

14 BE IT REMEMBERED that the Meeting of the Board of
15 Directors of the Rio Nuevo Multipurpose Facilities District was
16 held on the 14th day of May 2015 at the Tucson Community Center
17 commencing at the hour of 10:00 a.m.

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P R O C E E D I N G S :

CHAIRMAN McCUSKER: We're going to call the meeting to order. It's 10 o'clock. We'll have the pledge.

(Pledge of Allegiance.)

CHAIRMAN McCUSKER: Michelle, will you call the roll?

(Roll Call by Ms. Bettini.)

CHAIRMAN McCUSKER: And Cody is on his way. We have a quorum.

Item number 3 on the agenda today is the meeting minutes. You have been provided a copy of that. Any questions, comments?

MS. COX: Move to accept the minutes.

MR. HILL: Second.

CHAIRMAN McCUSKER: All in favor saye aye.

(Motion approved.)

CHAIRMAN McCUSKER: For those in the audience, we do have an executive session scheduled and it looks like it will be relatively short, 15 to 20 minutes, I'm thinking.

If someone would bring a motion.

MS. COX: So moved.

MR. IRWIN: Second.

(Motion approved.)

CHAIRMAN McCUSKER: We'll be back as soon as we can.

1 (Board of Directors in Executive Session between 10:04
2 and 10:25 AM.)

3

4 CHAIRMAN McCUSKER: Can we have a motion to reconvene?

5 (Motion to reconvene made and seconded. Motion
6 approved.)

7

8 CHAIRMAN McCUSKER: Okay. Thank you. Good morning
9 everyone. We were five minutes slower than I thought, but I
10 think that's a record executive session.

11 So this is an important day for Rio Nuevo. This is
12 the day we set aside to do our annual budget. We are on a fiscal
13 year, same fiscal year as the state, which starts July 1st
14 through June 30th of '16. So we have combined that budget period
15 with today's meeting. So we'll take two calls to the audience,
16 right, Mark?

17 MR. COLLINS: Correct.

18 CHAIRMAN McCUSKER: We will allow people, so if you
19 want to comment on our budget, you can give a card to Michelle
20 and we will hear any of those comments before we take action on
21 the budget. If you're here generally to call of the audience, we
22 will do that at the end of today's session. And I think a lot of
23 people are here for Item 12 and will have to bear through the
24 budget hearing and us to do that. The rest of the agenda should
25 move quickly.

1 As we begin to think about next year's budget, I think
2 it's important to reflect a little bit on last year. It was an
3 extraordinary year for Rio Nuevo in terms of projects completed.
4 It's one of the reasons, I think, today's executive session was
5 so short. We finished the Phase I of the arena remodel. The
6 handrails are going in across the way as we speak. We tidied up
7 the settlement business with the City and I got the Mission
8 Gardens project funded. We got the street scape funded. You
9 know, we -- so a lot of things we've been working on, of course,
10 are now kind of behind us.

11 The arena lot, we'll talk about that today. We see no
12 reason that won't close now and that will give us a chance to
13 repurpose some money from the sale of land proceeds. Also, the
14 sale of the Rialto Theatre. Looks like that's going through. So
15 for the first time that I've been on the Board, we have income
16 from sources other than state revenue, which, I think, gives us a
17 chance to think about what we can do as we plan for next year.
18 So unless anybody on the Board has any comments about last year,
19 let's move to --

20 MR. IRWIN: Don't forget the AC Marriott.

21 CHAIRMAN McCUSKER: Oh, and that's launched, yeah.
22 Yeah, they -- I think I heard they're going to break ground this
23 week or next week. A fence will go up around that project and it
24 will break ground this month. And that project wouldn't have
25 happened without Rio Nuevo.

1 All right. So this is our budget presentation. Dan,
2 I think we have a copy of the budget? Let's do that first. Go
3 do the financial update first and then we'll go to the budget.

4 MR. MEYERS: Okay. I'm Dan Meyers, the CFO for Rio
5 Nuevo. So we'll quickly go through the April cash position. As
6 of April 30th, we have about 1.8 million dollars in our Alliance
7 bank account, which is used for just basically paying bills
8 throughout the month. We have another account at Alliance which
9 is basically never used and it's got about five million dollars
10 in it. And we've got the Bank of Tucson account, which is used
11 for our payroll and collection of rental income. That's got
12 about \$416,000 in it. The City of Tucson pool fund money, that
13 was cleaned out in April. We used it to pay some retention on
14 the TCC Arena remodel, so that is now behind us. So we've got
15 about 7.2 million dollars currently sitting in our operating
16 accounts.

17 A couple of days ago, we got notified by the
18 Department of Revenue that our TIF collections for February which
19 will go in the bank at Wells Fargo here any day now was \$773,000.
20 And just some comments on that. Since we now have access to
21 information from the Department of Revenue on who's paying into
22 the -- paying the sales taxes, we are privy to have part of it.
23 We've been doing some analysis and we've discovered that one
24 significant box store has all of a sudden stopped coding their
25 sales tax report properly. My estimate is that could be as much

1 as a \$140,000 a month. The Department of Revenue is
2 investigating that and at some point in time, I think we'll get
3 windfall of cash when that gets corrected.

4 There's one other box store that what appears to me
5 that they are significantly under-recording. We don't know why.
6 Again, the Department of Revenue is aware of that and they're
7 investigating it as well.

8 Michelle and I have come up with a relatively short
9 list of people who are in our district that are merchants, that
10 should be paying sales taxes and coding their report properly and
11 we discovered a few of those, so we submitted a short list for
12 the Department of Revenue to get started on looking into that.
13 They have not made much progress on that yet, but they are
14 looking into it, so what I think is going to happen is we're
15 going to see our TIF revenues increase just because now we have
16 better information to kind of follow up on. So I think that's a
17 great thing we accomplished last year and I'm looking forward to
18 monitoring that as we go down the road.

19 As far as commitments we've made that hasn't changed
20 dramatically, we've got Mission Gardens still, 1.1 million. The
21 AC Marriott Hotel, we've got a commitment of about 4.3. January
22 8th has about \$60,000 remaining, street scape 750,000 an
23 approximate balance on the TCC Arena remodel is \$370,000 as we
24 sit here today. So right now, we've got in excess of about
25 \$700,000. Keep in mind that we do have the proceeds from the

1 Arena Site and the Rialto Theatre purchases that will enable to
2 do some things. And actually we'll talk about it a little bit
3 when we get to the budget.

4 CHAIRMAN McCUSKER: The leftover bond proceeds, are
5 those totally spent? I know we've drawn all that down to the
6 City of Tucson?

7 MR. MEYERS: Yes.

8 CHAIRMAN McCUSKER: There's no money left?

9 MR. MEYERS: No money left there.

10 CHAIRMAN McCUSKER: Any questions for Dan on the
11 current cash?

12 MR. MEYERS: Mark.

13 MR. COLLINS: Dan, just only on my suggestion, I know
14 we added commitments some time ago just to keep us up, you know,
15 with some of the stuff that was going on. Specifically, you
16 know, that's why we're trying to recognize the AC Marriott that's
17 going to be something that would occur later. I think we ought
18 to have similar things, things that could occur relative to the
19 income. We talked about the Arena, talked about the Rialto
20 Theatre. It might just be nice, not that those are firm, but it
21 might be nice to reflect what those look like on the statements,
22 which really is just a snapshot.

23 CHAIRMAN McCUSKER: We'll see that in the budget and
24 as soon as we approve the budget, we can start showing those
25 potential income. That's a good segue way to the budget for

1 fiscal '16.

2 MR. MEYERS: And one other note here I want to bring
3 up. As far as the people that are not properly filing their TPT
4 reports to the State, they can go back four years and amend or
5 the State can audit as well. So -- and the State is very willing
6 to work with them to get these things corrected as well. So I
7 really think we've got a pretty good partner in the State as far
8 as getting these numbers right and getting us the money we're
9 entitled to.

10 CHAIRMAN McCUSKER: Does everybody in the audience
11 have a copy of the budget that wants one? We put some hard
12 copies around. Are we going to do anything with PowerPoint or
13 you're just using the --

14 Mr. MEYERS: I don't have any PowerPoint. I'm an old
15 guy.

16 CHAIRMAN McCUSKER: Okay. A couple of high level
17 budget assumptions. Dan does the lion's share of work on the
18 budget, I kibitized with him on some items and we passed it onto
19 the full Board. The revenue which is on the second page is
20 pretty straightforward. We used the current TIF average as a
21 projection for next year and it's \$125,000 a month. I agree with
22 Dan. I think that will get better on a lot of accounts. One is
23 our own enforcement of TIF, particularly those that don't
24 properly code. We're also seeing an uptake in retail restaurant
25 activity and you've got, of course, some construction projects

1 coming online that pay into the TIF.

2 So that's a very conservative estimate. It's our
3 historical average. We've gone through the bond rating agencies,
4 how we budget. They're also quite comfortable with using our
5 average as we go forward. You'll see some other income lines in
6 there to note. We are now getting about \$235,000 from the City.
7 This is their repayment of Rio Nuevo funds as a result of the
8 settlement agreement. That's specific to the Depot Garage. And
9 the balance on that account is somewhere in the neighborhood of
10 \$13,000,000 that we turned out to the City, but you're now
11 beginning to see that income increase. And the item that's
12 identified there as the TCC Arena, that's the rent from the City
13 and that's a straight debt pass-through so that -- we don't make
14 any money on renting the TCC to the theater. That's the exact
15 dollar amount of bond related to the TCC.

16 And then, Mark, as you indicated, we've shown as
17 revenue for next year, the sale of the Rialto and the sale of the
18 Arena.

19 On the expense side, we pretty much carried everything
20 forward. I have requested a two and a half percent salary
21 increase for staff. That's exactly what state employees got.
22 That -- you'll see that in the budget. You'll see Dan's time go
23 up a little bit because we have asked him -- he's on an hourly
24 basis, we have asked him to spend some more time in the tax
25 enforcement area, so he and Michelle are doing a lot of work.

1 It's money well spent, I think, to help us recover some of the
2 unpaid taxes.

3 And you'll see an item kind of toward the bottom
4 there, the BID Tax. It's the business improvement district tax.
5 This is a tax that's taxed upon merchants that are downtown. The
6 government entities have been exempt from that. The City
7 voluntarily pays. The County voluntarily pays. We have not made
8 a voluntary payment and, as a consequence, I've learned we don't
9 get our grounds taken care of because we're not paying for it.
10 So we can discuss that item further, but that would provide that
11 the TCC complex be included in the business improvement district
12 that would include landscaping, planting, watering, power
13 washing, trash pickup, etc., which I think is also money well
14 spent that would be voluntary on our part.

15 The big item probably to discuss separately is the
16 public relations line item. Jannie's done a lot of work.
17 Michelle and I have kibitzed with her on a marketing plan that
18 really could drive a lot of pedestrian activity to our TIF
19 merchants all the way from Park Place Mall to downtown. Last
20 year we spent about \$90,000 in public relations. This year's
21 request would be \$160,000. So we want to spend some time --
22 actually, have a separate plan that Jannie will go through with
23 you. Dan, am I missing anything in terms of assumptions?

24 MR. MEYERS: I don't think so. I mean we pretty much
25 stuck with the numbers for most of the other things. I didn't

1 see any reason to modify those because they've been consistent
2 for the past few years.

3 CHAIRMAN McCUSKER: All right. So let's go to the
4 marketing plan. Jannie?

5 MS. COX: Okay. Thank you, Mr. Chairman and the
6 Board. Our group which has consisted of Fletcher and Michelle
7 and me, we also invited a woman who has a long career in
8 communications and marketing. And asked her to be kind of a --
9 well, a member of our group to look at the potential of driving
10 more business to our district businesses. And she was a very
11 valuable asset to this group.

12 As we reflected first on what Michelle has been doing
13 the last few years, we looked at her budget, how she has spent
14 that budget and then Michelle made some recommendations based on
15 what was working really well and what was not working as well.
16 So we made a few modifications in the existing budget.

17 But a lot of what we're proposing this year is ongoing
18 from Michelle's budget in previous times. We looked at a whole
19 lot of possibilities. We started meeting on the -- I think it
20 was the 11th of March; wasn't it Michele? And we met every
21 couple of weeks after that. We looked at a lot of possibilities
22 to -- with a single focus of driving customers into district
23 businesses, all the way from the TCC to Park Place Mall.

24 And we not only selected the ones that looked to be
25 the most promising, but we then invited the representatives from

1 the media where we would buy media and also the Southern Arizona
2 Arts and Cultural Alliance, SAACA, and met with them to make sure
3 that we knew we were getting the numbers that we anticipated as
4 we've considered this budget. And we feel really positive about
5 everything we have included in the budget. But we've also put in
6 some measurement tools, merchant feedback, a poll of the
7 Merchant's Association at Park Place to make sure the merchants
8 are seeing a difference in their business from the activities
9 that we're pursuing there.

10 The Downtown Tucson Partnership has offered to do
11 three street polls at the Second Saturdays' events, so that we
12 can measure what our effect has been on that particular thing and
13 also all of the businesses downtown separate from Second
14 Saturday.

15 We also will get -- Fletcher is helping us find an
16 intern from either the Eller School or SBS, who will design and
17 implement a tracking mechanism so that we can be sure what we're
18 doing is working. If it's not working, we're going to stop doing
19 it.

20 So that's our commitment from those of us who have put
21 this together. And I'd be happy to go through each one, if you
22 would like me to, or you can ask me specific questions. Probably
23 one of the ones that will make --

24 CHAIRMAN McCUSKER: Talk about the stuff that's new,
25 Jannie.

1 MS. COX: Okay.

2 CHAIRMAN McCUSKER: I think that, you know, the stuff
3 that's carried over and historically done in terms of friend's
4 support for Merchants or BizTucson, but, you know, specifically
5 there's a lot of money next year in sponsorships.

6 MS. COX: Right. And we took some money out of print
7 media and moved it into sponsorships, actually. One of those is
8 explore Sunshine Mile, which will be done through journal
9 broadcast, radio and KGUN television. And that is an activity
10 that goes on all summer long to engage the community in a
11 contest, if you will, to drive people into the businesses. They
12 print out a game card and then they have all summer long to visit
13 the businesses and build points on their game card. Both of the
14 media sponsors have a lot of experience with this kind of an
15 event and they are very, very high on this opportunity with
16 Sunshine Mile. And the businesses are excited, too, because it
17 will bring people inside their -- physically inside their door.
18 Not just hear about them on the radio or television.

19 CHAIRMAN McCUSKER: If you've never heard that term,
20 Sunshine Mile, that's the Broadway corridor from Euclid to
21 Country Club, so these are merchants we have not historically
22 supported, but this will be the first time, right, Jannie, --

23 MS. COX: That's right.

24 CHAIRMAN McCUSKER: -- that we would invest in trying
25 to drive traffic to those merchants.

1 MS. COX: Well, it's the first time we'll invest in
2 trying to drive the traffic to a lot of the merchants, not just
3 Sunshine Mile, but Park Place Mall as well. Our relationship
4 with Park Place Mall has not always been stellar because they're
5 so far from our primary component that they don't really feel
6 like Rio Nuevo is serving them. We all know that's not true
7 because anything that strengthens our city center strengthens the
8 community.

9 But if they can see Rio Nuevo taking a part in
10 bringing thousands and thousands of people inside the mall to
11 spend dollars there, I think they will feel differently. And
12 I'll talk about that in a minute.

13 But before that is Tales of the Keg, we have several
14 independent distilleries downtown and near downtown. It is a
15 huge trend right now. There's a lot of media interest and
16 community interest in craft beers. And Tales of the Keg is
17 already going on. It's a 14-month program. Is that right,
18 Michelle? And we have podcasts that are happening on -- is that
19 a weekly basis?

20 MICHELLE: Weekly basis.

21 MS. COX: Weekly basis. It will go on for 14 months.
22 And it has been very popular, especially because of a large
23 number of independent breweries in Tucson.

24 The movie premieres at Park Place and El Con, there
25 are several movie premieres. We chose the ones that have the

1 highest possibility to drive people to the mall. They are Star
2 Wars, Hunger Games, Fireman and Batman, basically. And two of
3 them will be at El Con. Two of them will be at Park Place.
4 Basically, the sponsors buy out the theater, then those tickets
5 go to between five and seven businesses within the mall that's
6 affected and then through radio and television people.

7 And you'd be amazed how many people want to be in the
8 first showing, not the second showing, but they need to be at the
9 premiere. We've been guaranteed that this will only be for the
10 premiere. People will go to the businesses to get those tickets.
11 So it will drive people inside the mall and the numbers look
12 very, very positive for that. So we have selected four -- I
13 think there were like eight or nine of them, weren't there
14 Michele, and we selected the top four.

15 And this would mean that there would be two visits by
16 the individual who goes to get a ticket and every individual has
17 to go in. You can't go in and get ten tickets. You go in and
18 get a ticket. So people are going to come, get their tickets.
19 They're going to come back to the mall when they see the movie.
20 So we're pretty confident that one is going to be a winner.

21 We're also looking at some potential sponsorships at
22 the Tucson Convention Center and how -- and if we invest in
23 sponsorships at the Convention Center, what we will do is get
24 other businesses to match what we are doing so that it will be a
25 collaboration of businesses doing a sponsorship. So we've

1 allocated \$10,000 to do that.

2 We're also looking at increasing our public relations
3 presence. We will actually put together an annual report that
4 will be something that we will distribute throughout downtown, at
5 least downtown, and hopeful along all of the district to let
6 people know the great news about what has happened through Rio
7 Nuevo's effort in conjunction with the City and others. But
8 we've got a story to tell and I think that we think it's time for
9 us to put together an annual report that although we do one
10 that's required by law, we would like to do one that would
11 actually be put in the hands of people to read, rather than being
12 just an obligation.

13 We will leverage support of all of the dollars that we
14 spend. We will work with partners such as Downtown Tucson
15 Partnership and the City of Tucson to make sure that those
16 dollars are leveraged as well as they can be.

17 We also want to -- we've allocated \$10,000 annually
18 for a social media expert. In some conversations with Downtown
19 Tucson Partnership, we've learned a lot. And, actually, I was
20 dragged, kicking and screaming, into the social media world for
21 my little business when I became convinced that social media is
22 incredibly effective, an inexpensive way to reach a market with
23 very, very targeted information.

24 We understand that because of the fact that we are
25 subject to the open meeting laws, that isn't as easy as it

1 sounds. There will be some really strict rules around how the
2 social media will work. And I will just say up front, don't
3 friend us. And don't retweet. Don't send along a post. Don't
4 use your networks to extend the information that comes from Rio
5 Nuevo because we will really be in conflict with the open meeting
6 law and we don't want that to happen. So we'll have some very
7 strict guidelines around it and Mark is going to be personally
8 involved with training the person who will be doing this.

9 But one of the things I didn't know until recently is
10 that the Pugh Research Center recently, and this totally
11 surprised me, did a study on people who use social media and
12 learned, no surprise, that people 18 to 65, between 82 and 89
13 percent of them are on social media. What really surprised me is
14 49 percent of the people 65 and older who are online, that is, if
15 they don't use a computer they're not counted. But if they are -
16 - if they use a computer, 49 percent of people over 65 are on
17 social media as well.

18 Downtown Tucson Partnership has found social media to
19 be a huge, hugely, effective tool in marketing downtown. They
20 have thousands of friends and are able to specifically target
21 messages that will support the downtown businesses.

22 So we have an opportunity to help broaden the reach of
23 the businesses within our district and small business looks
24 towards social media as the best way for them to communicate for
25 no dollars if they're doing it themselves. So it's a really good

1 way for us to build our relationships with those businesses by
2 helping them broaden their reach. So that's why the social media
3 person will be really critical.

4 And unless there are any other questions, --

5 CHAIRMAN McCUSKER: A couple of things I need to
6 interject.

7 MS. COX: Sure.

8 CHAIRMAN McCUSKER: One, there's a budget item in here
9 for Second Saturdays.

10 MS. COX: Oh, that's right.

11 CHAIRMAN McCUSKER: I am on the Second Saturday's
12 Board, Mark, so it's not something I requested. I think staff
13 and Jannie are very big on being involved in that event. I know
14 it's not a legal conflict, but it appears to be one, so I will
15 properly recuse myself on that particular line item.

16 MS. COX: And I will just say that Fletcher recused
17 himself in the meetings, too, so I don't want to talk about this.
18 If you're going to propose it, it's not going to be with my
19 input.

20 CHAIRMAN McCUSKER: The other thing that we're really
21 big on and I think is very important for downtown and the
22 advancement of downtown to see a kiosk item in terms of kiosk
23 content. If you look at the big budget, you'll see a \$34,000
24 capital request for kiosk. We would like to place a touchscreen
25 kiosk in strategic places along the streetcar route downtown.

1 They would indicate what's going on in and around that area.
2 They would allow you to touch on merchants. It would identify
3 specials that are nearby that are only available to the kiosk.
4 They could direct you to activities in the region.

5 Other cities have gotten a lot of advancement from
6 being able to have this kind of digital technology. It's not
7 very expensive. The kiosks are around \$15,000. They're totally
8 self-contained. They look like an ATM machine. In order for
9 them to be relevant, however, they have to be updated daily. And
10 we've talked about having someone -- either we outsource that or
11 we have, you know, again an intern or student or somebody that
12 would provide that content.

13 Working with the merchants to have daily specials. It
14 will identify your cell phone. You can connect to it. It could
15 text you directions. It could give you a coupon to go into a
16 restaurant or a bar. This is a lot of stuff we think we can
17 really do. And as part of the WOW factor, I think people will
18 see again coming downtown. It's a very inexpensive item. It is
19 included in the marketing budget. So there's a couple of ways I
20 think the Board can proceed. This was designed for you not just
21 not just to rubber stamp it, but to actually go through this. I
22 do want to point out, too, that we do have non-TIF revenue that
23 we can dedicate to marketing. But, Mark, if you want to touch on
24 our authority and obligation, too, it might be a part of this,
25 too. Mr. Hill?

1 MR. HILL: Mr. Chairman, Dan raised a couple of
2 questions in my mind and I wanted some clarification and I know
3 he did this inadvertently because he is in the accounting field,
4 but he used the word audit.

5 You mentioned that if they're not using the right code
6 for Rio Nuevo that there is a four-year for an audit. The word
7 audit doesn't bother you or me particularly, but scares the
8 bejebbies out of somebody in business. I don't want to give the
9 impression that this allows the DOR to go on a witch hunt and
10 invade all these businesses because they failed to use the Rio
11 Nuevo code.

12 The other thing you said that sparked my attention was
13 some firms had been coding Rio Nuevo and quit. Again, urban
14 myths and people's fear of government entities and audits, they
15 may have decided that I'm not going to put that down there if
16 this is going to raise some level of attention by taxing
17 authorities. Could you address that -- those two comments for
18 clarity, I think?

19 MR. MEYERS: Right. Well, my conversation with the
20 Department of Revenue is that they need to be very careful when
21 they contact a taxpayer because they don't want to audit
22 something unless it really deserves an audit. So that's why they
23 don't really want us contacting them directly. They want to
24 handle it and more of it would be in more of a suggestive manner
25 an amendment as opposed to a true audit.

1 However, I mean, there are people that I've identified
2 to them that they will be auditing because there's something
3 haywire. But I think that most of these are going to be in a
4 suggestive manner to come in and try to work with them to correct
5 what's been done as opposed to a true audit where they're poring
6 through their records.

7 MR. HILL: And to extend that one point further, is
8 there a penalty in the tax code for them failing to code Rio
9 Nuevo?

10 MR. MEYERS: No. All it is now is the State has to
11 pay us our share, which they have not done yet.

12 MR. HILL: Okay.

13 MR. MEYERS: So there's no consequences to the
14 merchants. It's just more or less getting the money --

15 CHAIRMAN McCUSKER: In terms of the term "audit," is
16 the taxpayer can amend their return back to the four-year
17 allowable audit period. We have no authority to directly engage
18 with the taxpayers and we have no authority to make this
19 information public. So we have to work entirely through ADOR.
20 And what we've encourage them to do, and so far they're doing it,
21 is to reach out to educate the merchants. Many of them, Jeff,
22 are out of town or out state.

23 MR. HILL: Right.

24 CHAIRMAN McCUSKER: Just to make sure they're aware
25 that this is not being properly coded.

1 MR. HILL: Hence the confusion because --

2 CHAIRMAN McCUSKER: And then to allow them -- the more
3 meaningful word to me in this process was amend.

4 MR. HILL: Yes.

5 CHAIRMAN McCUSKER: They can go back and amend the
6 returns.

7 MR. HILL: I like that A word, "amend", better than
8 audit.

9 CHAIRMAN McCUSKER: Back four years, yes.

10 MR. MEYERS: And the other thing we intend to do is do
11 our own little bit of handing out some information to some of
12 these people and just let them know that don't forget to put the
13 three-letter code in there for us. Because, you know, I mean, if
14 you're on the Sunshine Mile and now we're starting to focus on
15 marketing efforts there, it seems to me they'd be very willing to
16 make sure they're going to fill the forms out properly.

17 CHAIRMAN McCUSKER: But if it didn't register with
18 you, they've identified two big box stores that contribute
19 between the two of them \$300,000 a month in taxes that's in fact
20 going to the State. It's just not coming back to us, you know,
21 so that's, you know, over \$3,000,000 a year.

22 MR. HILL: Well, and I think that's important, but I
23 didn't want to establish some specter of audits coming --

24 CHAIRMAN McCUSKER: Right.

25 MR. HILL: -- in from Rio Nuevo, or whoever or what

1 have you people. It's not something they look forward to.

2 One other question, Dan. I've been looking at the
3 budget and I thought there was something missing. I spent too
4 many years on a joint legislative budget committee, and I wanted
5 to request and if it's impossible and nobody else cares, that's
6 fine, but JLVC would have a column for the actual for the
7 previous fiscal year. So they would have five columns on the
8 proposed budget rather than your four. Kind of a give a baseline
9 for people looking at the budget to what was actually spent the
10 previous fiscal year.

11 MR. MEYERS: So you're looking for something from
12 2014?

13 MR. HILL: Yes.

14 CHAIRMAN McCUSKER: And that would be real easy to do.

15 MR. HILL: Okay. I would like to see them. I think,
16 if nothing else, government is used to it and perhaps some public
17 is when they see other governmental entities, obviously. We're
18 kind of a hybrid but perhaps that would even give a little bit
19 more openness for people to have something to base it on.

20 MR. MEYERS: Absolutely.

21 MR. HILL: All right. And I'll shut up -- one more,
22 Mr. Chairman. On the Rio Nuevo Merchant Advancement Plan, there
23 is some language here. Without a TIF District those tax dollars
24 would go to the state general fund with little or no benefit to
25 Tucson. I think we probably should strike that. Sixty percent

1 of the state budget goes to education. I think that's just kind
2 of like poking a stick in the proverbial eye. The legislature's
3 going through a tough year. It looks more prudential to Tucson
4 by making that blanket statement which is factually not correct.

5 MR. MEYERS: We'll fix that. What actually happens to
6 TPT money is it goes to the State and then it's distributed to 92
7 municipalities, right?

8 MR. HILL: No. It's the state government, state gets
9 no property tax.

10 CHAIRMAN McCUSKER: But the sales tax from the TIF
11 gets --

12 MR. HILL: 60 percent of it goes to education.

13 CHAIRMAN McCUSKER: All right. Duly noted.

14 MS. COX: Okay. Thank you.

15 CHAIRMAN McCUSKER: Did you want to make any comments,
16 Jeff, on the marketing plan?

17 MR. HILL: No. I'm very supportive.

18 MR. RITCHIE: I just want to say that I think that
19 Jannie did a good job. I think she's very passionate about
20 helping the businesses. I think she put a lot of thought and
21 research into it on a personal level. We're very good friends.
22 I joined the Board for a couple of reasons. Just to offer my --
23 what I believe is my expertise. There's a lot of real estate and
24 financial expertise on this board, but I think one area where I
25 could stand in running my business equal to any of the people on

1 the board is marketing.

2 And I just -- I look at this and I just -- I have to
3 look at myself in the mirror in the morning and I can't just go
4 along to get along on some things. And I think that the money --
5 I don't think that the ROI is there for the amount of money that
6 will be spent. I think we can still accomplish all the things
7 that we want to try to do within the budget that we had for last
8 year. Otherwise, I think the budget looks really good, but I
9 just think that we're spending far too much money on marketing
10 dollars. Because I know how I spend my dollars and we spend a
11 lot but it's my dollars, it's not taxpayer dollars.

12 Also, I think that as far as helping out with like the
13 events downtown, I know my business last year, we donated \$18,000
14 to downtown Second Saturdays and I think there are other people
15 like that out there that we could still try to get the same bang
16 for buck and recruit people. So I just wanted to add my two
17 cents. I just think that the marketing dollars is too much, in
18 my opinion.

19 MR. SHEAFE: Jannie, thanks for your efforts. About
20 the only comments that I really have on this is I do kind of
21 wonder -- first of all, I love the support of the things that are
22 downtown. I think those are exactly the kind of events that we
23 should be supporting. And I think we look conspicuously absent
24 not being involved in some of those events like Meet Yourself
25 and Second Saturdays we can go on. So I actually like that

1 perspective.

2 One thing that I've always been interested in is, you
3 know, is our website, driving traffic to it. I know you're
4 really focused on that. But two things that I guess I'd like for
5 us to think about. Maybe there's no room for them in this
6 budget, but just for maybe going forward.

7 One thing is, you know, the -- you know, a lot of
8 stuff's going on with the Sunshine Mile is those properties have
9 sat there for a long time and nothing's happened with them. And
10 depending on what happens with that, there might be some
11 opportunities, you know, for marketing and that kind of stuff.

12 You know, we've had discussions in the past about
13 would it make any sense to create a portal on a website, so that
14 people that had properties that fell with inside the district,
15 whether they were commercial or residential, could pay a small
16 posting fee and allow us -- we can have restrictions on it having
17 to be a PDF file, it has to be this, it has to be that, no more
18 of a certain size and what have you. But we might find that if
19 you'd like to see traffic driven to the website, having a portal
20 there that listed properties that were available, whether they're
21 for sale or for lease, might be a opportunity to do that.

22 And then second, you know, we talked about engaging
23 the merchants, you know, in trying to drive traffic to our
24 website, have we thought about anything that will allow, you
25 know, a portal site allow merchants to actually advertise

1 specials. You know, we're talking about that with a kiosk. I'm
2 just wondering if that makes sense. I don't profess to be an
3 expert on that, but just things for you guys to think about.

4 MS. COX: And I'm not an expert either, but I think we
5 have an opportunity through our website. I mean,
6 technologically, it's not that complicated. And especially for
7 downtown because if we are going to be programming the kiosks,
8 we're going to have a huge amount of information that could be
9 made available. It's also available on Downtown Tucson
10 Partnership website. But, yes, the information, we've heard that
11 it's a little bit like pulling teeth to get the information from
12 the restaurants and small businesses sometimes, but they are
13 learning the value of being more responsive. So that is growing
14 and we feel pretty comfortable that we're going to have that
15 information and, technologically, it's easy to get it out on our
16 site.

17 MR. SHEAFE: Thanks for your efforts on that.

18 CHAIRMAN McCUSKER: Okay. So the only little nudge we
19 got of disapproval might be around the marketing dollars. Any
20 other comments from anybody on the Board about the rest of the
21 budget? So let's separate for a moment the marketing budget and
22 the marketing plan. We will separate out Second Saturdays as a
23 separate item, so I will pass the gavel to Mark on that one.
24 Does somebody want to make a recommendation or a motion as it
25 relates to the marketing advancement plan?

1 MR. COLLINS: Mr. Chairman, if I may, may I interject
2 that I think it's appropriate for you to take a call of the
3 audience before the Board moves forward with any affirmative
4 action on the budget.

5 CHAIRMAN McCUSKER: Including the marketing plan, you
6 think because I was going to do that, if we can get an agreement
7 on the marketing plan?

8 MR. COLLINS: Oh. Well, you know, I --

9 CHAIRMAN McCUSKER: Let's pause now. Michelle, are
10 there any -- anybody want to speak to us about the budget? All
11 right. So that solves that.

12 MR. COLLINS: Okay.

13 CHAIRMAN McCUSKER: Let me move for approval of the
14 marketing budget as stated and in deference to the other remark
15 which I -- I'm just a fan of conserving dollars and spending them
16 effectively as anybody. If I'm going to make a mistake on
17 expenditures, I wouldn't mind making a mistake and over-expending
18 a little bit on marketing dollars where -- we've got a good thing
19 going. We've got some room here. And if we make a mistake, it'd
20 be a lot less costly to us if we put a few too many dollars into
21 marketing than it would be to put too few in and end up missing
22 opportunities. We're building a head of steam, so that is not in
23 any way to question the thought process, it's in the grand scheme
24 of things, the amount of money we might be talking about is small
25 enough and the benefit is big enough that we may want to just go

1 ahead and experiment.

2 Let me just say that in my business, I always had the
3 opinion that 50 percent of every dollar I spent on marketing was
4 wasted. My problem was I didn't know which 50 percent and that
5 just happens to be the way. It's very difficult to know whether
6 your marketing dollars are actually working or not by individual
7 expenditure. But it is easy to know whether or not the total is
8 working because you can measure that. So since we're in the
9 infancy and since we're trying to get this whole thing to come
10 together now and we've got a lot of tools in our toolbox that are
11 interesting people, it doesn't bother me if we're just a little
12 over-aggressive in putting it into marketing. That's why I'm
13 suggesting that we approve the budget as presented.

14 MR. RITCHIE: We have Second Saturdays that we have to
15 entertain that separately.

16 CHAIRMAN McCUSKER: Yeah, that's fine.

17 MR. RITCHIE: Can I make one more comment?

18 CHAIRMAN McCUSKER: Let's see if we get a second
19 first.

20 MS. COX: I'll second.

21 CHAIRMAN McCUSKER: Okay. Now, go ahead.

22 MR. RITCHIE: Okay. Again, I mean, I agree with
23 pretty much everything you said. My competition doesn't
24 advertise and we do. I think we built up a good brand and you
25 can't really put a -- you can't really put your finger on how

1 much our ally is out there. However, I know proportionately with
2 what my business is and we're a taxing district, we're not a
3 regular "business." So I just really have a hard time because we
4 go down the -- we set the budget for this year and then maybe
5 it's the same next year and the same next year. And if I take
6 60,000 times five, that's \$300,000. You know, I harken back to
7 when we were replacing our CFO. I think we did a nice job and
8 saved quite a bit of money and, in my opinion, getting better
9 work. And so you take that along with that, that's \$600,000 over
10 five years and that's a lot. We could do another Herber Alley
11 type thing. I'm all for helping out Downtown.

12 If I had -- my suggestion would be that maybe baby
13 step it up and then some of us on the Board fundraise and try to
14 make up the difference in some of the things that we're trying to
15 do. I would be glad to do that. I would love to be able to vote
16 with the Board a yes, but I'm just stating my opinion. That's
17 the one item that I can't. I'm just going to, you know, stick to
18 my position, I guess.

19 CHAIRMAN McCUSKER: Okay. We have a motion and a
20 second to approve the budget as presented less the Second
21 Saturday item. So by my math, that's \$148,000 budget marketing
22 plan as part of the overall budget. Go ahead.

23 I'm going to separate that out and deal with that
24 separately --

25 MR. RITCHIE: Which is a 50 percent increase.

1 CHAIRMAN McCUSKER: -- and recuse myself.

2 And I believe he corrected his motion to exclude the

3 Second Saturday item.

4 MR. RITCHIE: Okay.

5 MR. COLLINS: And separated out the marketing from the

6 budget.

7 CHAIRMAN McCUSKER: All right. Now, all we're talking

8 about is the marketing plan.

9 MR. COLLINS: Oh, okay.

10 CHAIRMAN McCUSKER: And there's a motion to approve

11 the marketing plan --

12 MR. COLLINS: That's what I understood.

13 CHAIRMAN McCUSKER: -- less the Second Saturday item

14 as presented. And we have a second. Any other discussion?

15 Michelle, call the roll.

16 MS. BETTINI: Jeff Hill?

17 MR. HILL: Aye.

18 MS. BETTINI: Jannie Cox?

19 MS. COX: Aye.

20 MS. BETTINI: Chris Sheafe?

21 MR. SCHEAFE: Aye.

22 MS. BETTINI: Mark Irwin?

23 MR. IRWIN: Aye.

24 MS. BETTINI: Cody Ritchie?

25 MR. RITCHIE: No.

1 MS. BETTINI: Fletcher McCusker?

2 CHAIRMAN McCUSKER: Aye. And so by votes of five to
3 one, the marketing plan will be incorporated into the budget.
4 And now you can deal with the Second Saturday. I am recused.

5 MR. IRWIN: Okay. So we're going to be approving the
6 budget minus the Second Saturday and --

7 MR. HILL: Voting on the 12,000.

8 MR. IRWIN: We're just voting on the 12,000, so we
9 need a motion.

10 (Motion moved and seconded.)

11 MR. IRWIN: Thank you. Do a quick call.

12 MR. RITCHIE: So we're voting on the budget minus
13 Second Saturday?

14 MS. COX: No, we're voting on Second Saturday only.

15 MR. IRWIN: We already approved the budget. We're now
16 voting on the budget that includes Second Saturday.

17 MR. RITCHIE: So another \$12,000?

18 MR. IRWIN: Yes.

19 MR. SHEAFE: You're moving it from 148 to the original
20 160?

21 MR. RITCHIE: My comment is I think it should be
22 included in the 148. I mean, that's my comment. I like it but
23 it'd make things too complicated, guys. You really do.

24 MR. IRWIN: So we got a motion and a second. Any
25 further comments?

1 MR. HILL: Call for the question, Mr. Chairman.

2 MR. IRWIN: Michele, roll call.

3 MS. BETTINI: Jeff Hill?

4 MR. HILL: Aye.

5 MS. BETTINI: Jannie Cox?

6 MS. COX: Aye.

7 MS. BETTINI: Chris Sheafe?

8 MR. SCHEAFE: Aye.

9 MS. BETTINI: Cody Ritchie?

10 MR. RITCHIE: I don't even know how to vote. I mean, I
11 like it, but I don't like it as part of the -- in addition to the
12 148, so Mark, it would be -- I think your vote would be --

13 MR. COLLINS: As I understand it, the motion that
14 we're voting on is the Second Saturday component of the budget.
15 I don't think the motion was the rest of it. So I think you're
16 in a position to vote either way on Second Saturday.

17 MR. RITCHIE: I'll vote no and I'll go try to raise
18 the \$12,000 myself.

19 MR. IRWIN: Back to you.

20 CHAIRMAN McCUSKER: Okay. Any other comments,
21 questions, on the budget itself? So what we are asking the Board
22 to advance is the budget as presented with the marketing dollars
23 as presented and no other changes to the budget in terms of this
24 revenue and our expense projections.

25 (Motion made and seconded.)

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CHAIRMAN McCUSKER: Okay. We have a motion and a second to approve the budget as presented. Michelle, call the roll.

MR. RITCHIE: Excuse me. So this is minus the marketing because marketing was a separate item?

MR. COLLINS: It would be minus the marketing and minus Second Saturdays.

MR. RITCHIE: Okie Dokie.

MS. BETTINI: Jeff Hill?

MR. HILL: Aye.

MS. BETTINI: Jannie Cox?

MS. COX: Aye.

MS. BETTINI: Chris Sheafe?

MR. SHEAFE: Aye.

MS. BETTINI: Mark Irwin?

MR. IRWIN: Aye.

MS. BETTINI: Cody Ritchie?

MR. RITCHIE: Aye.

MS. BETTINI: Fletcher McCusker?

CHAIRMAN MCCUSKER: Aye. All right. That's approved unanimously. We have the budget and we have to, Dan, file this with the State. Thank you, everyone. Jannie, thank you very much. Okay. Onward and upward.

Phase II. So one of the things you will notice in the

1 budget is that with the sale of the Arena and the sale of the
2 Rialto Theatre, we will unusually produce over \$6,000,000 of
3 profit in the next fiscal year. We have a little over \$7,000,000
4 in the bank of which a couple of that is committed in the near
5 term. So you will now begin to hear opportunities to spend that
6 money. Some of them are of our own design. We talked about a
7 Phase II, the Convention Center. Some of those you will hear
8 community requests for Rio Nuevo to engage in TIF-related
9 projects. So keep those numbers in mind as we go forward.

10 And, Phil, are you ready? We have asked and engaged
11 Swaim and Associates to help us go with what we're calling Phase
12 II of the Tucson Convention Center Remodel. We've actually asked
13 them to go ahead and identify anything that might contribute to
14 making this facility more competitive even though we knew going
15 into it that a lot of it is something we certainly cannot afford.
16 But they've done that and we're going to go through that now with
17 the Board and the public in terms of what some of the near-term
18 opportunities are, what some of the long-term challenges are and
19 things that we can do to continue to enhance this, our primary
20 component. So, Phil, take it away.

21 MR. SWAIM: Thank you.

22 CHAIRMAN McCUSKER: Start by introducing yourself so
23 we get you in the record.

24 MR. SWAIM: Right. My name is Phil Swaim with Swaim
25 Associates Architects, 7350 East Speedway.

1 We're extremely excited to be able to have an
2 opportunity to be able to explore how we can build upon the
3 success of Phase I with the renovation of the TCC Arena.

4 We've spent the past several months getting feedback
5 from the community, from the user groups, about the success and
6 what they liked and what's been successful there with the Arena.
7 We talked with SMG, the operators, about what they think is
8 important to be able to be successful. We met with Visit Tucson,
9 operators of the Gem Show, the El Tour de Tucson, Click Auto, all
10 sorts of non-profit agencies, that may be interested in doing
11 events and other community and business groups.

12 So with that, we've -- over the past month and a half,
13 we then developed a document, well, it's about two inches thick,
14 of information, narratives, concept diagrams and to be able to
15 develop a potential scope of what it would take to be able to
16 move the TCC forward. And then over the past several weeks, I've
17 also worked with a cost estimator to develop those potential
18 project costs, including construction and project costs available
19 to again understand what the impacts of those might be.

20 So out of that, we've been working now to be able to
21 and have proposed an initial phase of a near term, because what
22 we've heard throughout the community are what we think are some
23 real immediate needs as well as then long-term needs. And some
24 of those are maybe dependent as the community moves forward and
25 we see other development happening, such as Alan Norvil (sp)

1 moving forward or getting downtown hotels or other successes here
2 that will then increase the need for other services that we can
3 provide to be successful. So the --

4 MS. BETTINI: Sorry, I'm getting there.

5 MR. SWAIM: That's okay. Hopefully, we can --
6 Michelle can get this up there. But what we've got there -- the
7 first phase or actually what we call Phase II, the next phase,
8 would be of our near-term needs. Our goal is to be able to --
9 well, one of the key things we heard from the community is they
10 like the restrooms. And it's also shown how wonderful the new
11 restrooms are and how old unfortunately the other ones are
12 throughout the TCC. So one of our priorities is to be able to
13 include renovating all of the existing restrooms. And on your
14 site plan there, it is shown in green throughout the TCC.

15 Our next priority is our ball room. I think one of
16 our best opportunities to be able to compete in the community and
17 have business downtown is to really upgrade this ballroom. We've
18 renovated the kitchen already, so we've solved the issue of
19 people's concern about food and concessions. So now we need to
20 be able to take the ballroom and really bring it up to 21st
21 Century technology, acoustics, deal with the old materials and
22 upgrade the galleria and the lobby space to support that, get the
23 technology in there and we think that we can actually be drawing
24 events in that otherwise might be going to casinos and some of
25 the other hotels around town. A tremendous location. We've got

1 parking and so we think that's a huge priority.

2 Another priority is meeting space. Really, the
3 meeting space here at the TCC is limited to this north -- the
4 north meeting space here, it's part of the oldest part of the
5 building. The technology is poor. We need to be able to upgrade
6 really all of the finishes. Part of the concept here with this
7 is really creating a conference center where on the east end, we
8 would create a board room that would be -- have all high-end
9 technology and have supporting for catering. The center four
10 rooms would be really upgraded. Open up the walls so that, you
11 know, even on a day like today, we have the opportunity to be
12 able to just spill out onto this wonderful plaza and enjoy the
13 weather we've got here in Tucson.

14 We've included some funds to be able to upgrade the
15 adjacent landscaping as well here in the old part of the plaza
16 directly adjacent to these meeting rooms so we have breakout
17 space. So and also even on the west end of the meeting rooms
18 connected directly to the galleria as opposed to having sort of a
19 hidden entrance off the west end.

20 And then the other component to here that we recommend
21 to include in Phase II is one item that we did not complete part
22 of the arena. You know, with the arena renovation, we focused on
23 that experience. But what we didn't do was really support the
24 people coming to actually be in the events. And so we need to be
25 able to upgrade locker rooms, the green rooms and the dressing

1 rooms and provide some storage there to really have -- so that
2 the people coming to our events are excited and they're part of
3 that.

4 What we call Phase III actually because --

5 CHAIRMAN McCUSKER: Stay with II and do the economics
6 of II and then go back to III.

7 MR. SWAIM: Okay. So looking on the back page of your
8 document, we have a breakout of the estimated cost. That would
9 be the fourth slide there.

10 So what we have is called -- identified as near term
11 and that includes Phase II. The items in red are what we would
12 propose would be supported by Rio Nuevo. What I'm to identify
13 right off is that we have pulled FF&E items out of that, so those
14 items are currently unfunded but are important components to
15 really make this and to have it as being sort of a cutting edge
16 conference center, we still need to be able to have those sort of
17 supporting furnishings and that sort of thing to go along with
18 that. But knowing that there has been concern, we did pull that
19 out separately.

20 So the item for restrooms still below 1.3 million.
21 And what these -- these costs actually include the subcontractor
22 cost, the general contractor's overhead, profit, insurance,
23 contingency and then also the project costs on top of that being
24 permits, fees, testing and project management fees and as well as
25 a contingency for Rio Nuevo on top of that.

1 The ballroom, lobby, galleria is just over \$4,000,000.
2 Locker rooms and green rooms are almost \$1,000,000 and the
3 conference center exterior plaza I think about 3.3 million. So
4 the proposed Phase II budget would be 9.9 or just almost
5 \$10,000,000.

6 The long-term options that we would propose as the --
7 to be able to anticipate as next steps -- Michele, if we could go
8 back a couple of slides there. A little more, please. Thank
9 you.

10 Next, we need to be able to address the exhibition
11 hall. It's a large space and it's also out of date with
12 technology and power. We need to be able to really upgrade that
13 to be able to bring in some additional conferences, medical
14 conferences and other high-tech things that are important in our
15 community.

16 As development occurs to the west of us, we need to be
17 able to -- we're showing some components that actually connect
18 TCC to Grenada, the street car and those projects that hopefully
19 Alan Novil will be moving forward with soon.

20 One of the other components that we've heard as
21 feedback from conference users here is that the meeting space
22 here -- one, is we need more meeting space. But, also, it's a
23 little disconnected. And so one of the things that we're
24 proposing is -- part of the challenge here with the design of the
25 TCC is the circulation passes around the service yard. And so

1 what we're trying to do is actually maybe kill two birds with one
2 stone and actually build an addition of meeting room space,
3 conference space, over the top of the service yard. That would
4 be in a prime location, block the view and we've heard from users
5 at S & G that that would be an absolute fabulous addition to the
6 Community Center. And so that's one that we would -- that we
7 think is in an important one, though. We did put that in as the
8 next phase.

9 Another thing that we have included as part of this
10 future phase are some upgrades in the arena, as their success
11 moves forward. Get some premium seating, some opera suites and
12 other types of things that support the type of events we're
13 doing. We found some spots on the north end where we can
14 actually add a few hundred more seats. We need to be able to
15 complete the overhead lighting and do some things like that as
16 well.

17 So the -- and then -- so that would -- the -- I guess
18 we jump back to our funding that Phase III, by the time we
19 include all those components, we're at a \$26,000,000 budget that
20 we anticipate as future components moving forward.

21 One of the other things that we have shown here --
22 Michelle, you're getting very good at that. Thank you. That's
23 perfect. Is for a future they've been calling Phase 4, is at
24 some point we wanted to explore as we grow downtown and our
25 events are even more popular and have multiple events, how could

1 we provide more parking? And so we just explored a potential
2 parking garage where we could add another 900 spaces on our west
3 lot and that project budget would be about \$18,000,000 in the
4 current estimate. But we just plugged that in again for your
5 knowledge as you sort of anticipate and we move forward to see
6 how your priorities might be met.

7 So with that, are there any questions or comments I
8 can help with?

9 CHAIRMAN McCUSKER: It's important to note that we are
10 the first official body to see this. It's obviously a robust
11 plan. The City has not been consulted and they obviously need to
12 be part of the solution as we think about continuing to enhance
13 this facility. But Phil did exactly what we asked the man, which
14 is to scope and meet with the stakeholders, meet with the end
15 users, meet with the current event planners and identify why this
16 facility's passed over in favor of Albuquerque and El Paso. And
17 Phase I kind of addresses that.

18 We'll never be competitive without some adjacent
19 meeting rooms. And if we had the money, we probably would treat
20 that as a Phase I item. But everybody we heard from is a lot of
21 reasons this facility doesn't work because of the lack of meeting
22 space. And, of course, the whole issue hotel issue is a separate
23 thing. But that's -- when you talk to end users about these
24 facilities, it's the lack of convention center hotel rooms, the
25 lack of meeting rooms and then just it's general -- I mean, we're

1 in what could be, you know, an elegant state of the art
2 conference center and this is what you get right now.

3 So you can see how tight it would be if we tried to do
4 all of Phase I ourself. It would take, you know, 90 percent of
5 the dollars we have available in the near term. Make it really
6 challenging to look at any other projects. You know, there's no
7 way you could touch anything in Phase II without cooperation from
8 the City. And, you know, we will have that conversation in terms
9 of, you know, what kind of match would they be prepared to do to
10 really continue to address these issues. But, Phil, nice job.
11 Thank you very much. Questions for Phil?

12 MR. RITCHIE: I would just add the same thing that you
13 did, Fletcher. Great job, Phil.

14 Mr. SHEAFE: Oh, the value here is that we're building
15 a basis of information that helps us set priorities. We're going
16 to be doing something as time goes along. But one of the
17 questions I've got, Phil, is when you were looking at the need
18 for meeting space, did you incorporate the capacity that Alan
19 will have if he goes 120,000 square feet right next to us?

20 MR. SWAIM: Well, that's one of the reasons that we
21 put the Exhibition Hall upgrade as a Phase III because we'd
22 anticipated with this 120,000 square feet from what we understand
23 right no, he's concentrating on exhibition space and not meeting
24 space.

25 MR. SHEAFE: Because you know one of the things that

1 pops into my mind is I think it's really important that we create
2 kind of a heartbeat convention center that meets a market segment
3 that we know isn't going to compete with Al's, but it could
4 compete with several -- Albuquerque would be a good comparable.
5 But in so doing, we don't want to just simply transfer business
6 already coming to Tucson from one of the other facilities here to
7 the Convention Center. What we want to do is create a whole new
8 level of business for our community; otherwise, we haven't really
9 accomplished that.

10 So in that regard, one position we might take is
11 rather than continue to put bandaids on this place, we want to
12 press everyone that's involved to fund \$35,000,000 of
13 improvements, which, you know, go big or go home.

14 Or we can do what we can do, which is what we did in
15 Phase I and, you know invest the TIF money we're blessed with
16 back into this facility or some combination of those two things.

17 MR. IRWIN: This is not a, you know, project that we
18 can do on our own and we're definitely going to have to engage
19 the City. I agree that I think the one thing that we don't have
20 here is enough breakout room and meeting rooms. We've heard it
21 from every single person that we've visited with. This room, as
22 an example, is inadequate. It just doesn't -- so, you know, my
23 hope is that we'll reposition this thing, and I also would love
24 to see us continue to capitalize I think on the successes that
25 we've already built here. We've got the Phase I done. We got

1 great accolades for that. I'd like to see us continue to move on
2 that momentum.

3 And, you know, Mr. Chairman, I'd appreciate it if
4 you'd just take a second and maybe just talk about the financial
5 side of this. You know, I mean, we know how much money we have,
6 but we also know how inexpensive money is right now to go and
7 borrow. And, you know, it just seems to me we're going to have
8 to engage the City in this discussion and with where money is
9 right now and as inexpensive it is, I know that a whole bunch of
10 stuff just got retired. But talk if you would for a little bit
11 about just the impact of how that would look if we got the City
12 to engage in a bond or something.

13 CHAIRMAN McCUSKER: I think that the numbers are good
14 and accurate. We went through the same exercise with Swaim on
15 Phase I and they were dead on in terms of what the contractors
16 actually came back as estimates. So Rio Nuevo has not had a
17 history of accurately estimating, but I feel pretty good about
18 these numbers. You're talking about, you know, \$35,000,000 to
19 really do what we would want to. We might be able to come up
20 with ten of them.

21 You know, the City has a lot of options. They could
22 match our ten and we'd go forward quickly. We could raise money
23 and increase the City's rent. How this facility has been
24 improved in the past is through certificates of participation
25 where Rio Nuevo would issue a bond and increase the City's rent.

1 From 2002 to 2012, the City's rent was about 3.6 million dollars
2 a year. When those bonds retired in 2012, the City's rent
3 dropped to its current level, which is about 1.4 million dollars
4 a year. We tried to convince the City at the time that keeping
5 the rent stable would be a good use of City money that could come
6 back into this facility.

7 But they've been dealing, as we all know, with their
8 own budget issues, you know, since 2010. I don't know how the
9 City would react to helping us fund these projects. I think
10 we've got to advance the data, have some meetings with them about
11 how they might participate, would they be willing to help us fund
12 a project or would they be willing to increase their rent in
13 order to enable us to fund the whole project?

14 And I think we have to decide as a Board, do we want
15 to spend some of our newfound resources on any of the Phase II
16 items.

17 And, Mark, what would have to happen if we wanted to
18 advance a Phase II project? It would not be dissimilar to what
19 we did with the original Phase I, right? I mean, we would hire
20 an architect, we would procure a contractor, if the Board wanted
21 to move forward, what's the process?

22 MR. COLLINS: I think you've just outlined it. If you
23 wanted to pick one of the ones of Phase II that Phil has
24 identified or all of them, that would be part of the process. We
25 could advance that process today by -- you're talking about large

1 sums of money here. And what I would suggest to you is that we
2 would -- if you were inclined to do that, that we put together an
3 appropriate agreement and RFP, that sort of thing, for you guys
4 to approve. Does that answer your question, Mr. Chairman?

5 CHAIRMAN McCUSKER: Yes. Precisely.

6 MR. IRWIN: You know, I might also suggest that, you
7 know, we reach out to the City and see who came to the study
8 session or sit down and talk on all of the above because it will
9 be a big number for them and they obviously need to understand
10 it.

11 MS. COX: Could I -- I have a question that someone
12 here can probably answer. If we are successful, let's say we go
13 forward with these phases one at a time, are we going to have
14 hotel rooms for these people to stay in? I mean, I don't know
15 where people are going to stay if we significantly increase
16 the --

17 CHAIRMAN McCUSKER: We know for sure two projects are
18 coming online, the AC Hotel, which is --

19 MS. COX: AC and the one on the arena site.

20 CHAIRMAN McCUSKER: And the Nor-gen project has
21 secured a Hyatt --

22 MS. COX: Right.

23 CHAIRMAN McCUSKER: -- as part of theirs, so you'll
24 have an adjacent --

25 MS. COX: Three hundred rooms all together --

1 CHAIRMAN McCUSKER: Adjacent to the Hyatt. And then
2 something has to happen with the Arizona hotel.

3 MS. COX: True.

4 CHAIRMAN McCUSKER: It's got to be brought back into
5 service. Will we have 2,000 hotel rooms?

6 MS. COX: No.

7 CHAIRMAN McCUSKER: Probably not. But we could have
8 several hundred, Jannie, in and around the area. And, you know,
9 the River Park ends a street car away now. Dixon & Gaston
10 Properties are looking at a hotel on their site. You know, so,
11 you know, you're not going to see, you know, five hotels
12 surrounding this complex, but I think you might see five that are
13 a street car stop away.

14 We can help that. We obviously helped with the AC
15 Hotel. And I think you're going to be approached by other
16 operators who like the deal that we did with Steitler and say,
17 gee, will you help me with my hotel. And that's part of the
18 challenge we have if we tap ourselves out. You know, we're not
19 going to get to do much more without some additional income. It
20 may be that you want to pick a project and launch it and have
21 these conversations with the City or we take over the whole space
22 altogether and go have a chat with the City.

23 If we're going to bid this out, it would make sense to
24 bid it out all at once. If we bid it out in pieces, we can do
25 that and we'll get the work done, you know, but it would be --

1 you know, if they'd really need, you know. I don't know how far
2 fetched it is. We've got a new city manager, in the middle of an
3 election year, you know. I just don't know how the City would
4 react to a \$26,000,000 request.

5 MR. SHEAFE: Well, you know, we have a very, very
6 limited pot. It seems like a lot of money, but it's not. And
7 our role is to place those dollars as strategically as we can so
8 that it generates the biggest bang for the dollar. That's easy
9 to say but difficult to put into place, but I think about the AC
10 hotel arrangement that we made and, you know, there's a pretty
11 good payback on that.

12 CHAIRMAN MCCUSKER: Yeah.

13 MR. SHEAFE: And it actually added a new facility
14 downtown, and added a very large job base downtown and it anchors
15 Tucson on the map of travelers nationally and internationally in
16 a way that it wouldn't have been without that one facility.

17 So, you know, I wouldn't want to trade off the ability
18 to do something like that in exchange for improving the
19 restrooms. I'm not trying to be disrespectful, I'm just saying
20 that, you know, we have a very finite amount of money here and we
21 really need to think very carefully. So in trying to make a
22 decision like that, it seems to me, looking at this, I really
23 appreciate the information that Phil's put together and that
24 gives us a good framework to work with.

25 Now, we need to go to the rest of the picture and say,

1 all right, what are the range of choices and opportunities we
2 have so if we made these choices in a thoughtful way and get the
3 best return. Because at the end of the day, if we make this
4 snowball bigger, it's going to gain momentum and it will drop a
5 lot of other -- much more revenue and that will provide more
6 opportunity for.

7 But, I'm thinking, you know, we've got the west side,
8 we've got two or three things happening over there. We just may
9 see some opportunities that might cause us to say, you know what,
10 those are better resources.

11 CHAIRMAN McCUSKER: Would you want to launch on
12 anything, you know? We know the ballroom is not utilized to the
13 extent it could be. We know the restrooms are disgraceful. You
14 know, it sounds like what you're suggesting is we chat this up
15 with our partners and see if we come together with a single plan
16 that would include the City.

17 MR. SHEAFE: Yeah, that's what I'm thinking is we
18 ought to find out what are the other resources and then we may
19 also have a few other opportunities put on the table that we want
20 to really seriously consider because we can see that they have a
21 real impact. And I thought it was interesting the other day,
22 Fletcher, when you were talking and I actually learned -- I did
23 not realize that we had gotten up to 46 restaurants, I think you
24 quoted.

25 CHAIRMAN McCUSKER: No, new.

1 MR. SHEAFE: Brand new. And you think about the
2 collective benefit of that and some of the work that we've done
3 which is sort of driving this, there are just strategic places we
4 can put money that would drive a whole lot of other commerce and
5 that is going to benefit everybody.

6 And then there's the visability side of it, too. You
7 know, what we created here, I think, and what the first phase has
8 been, that we now have a great performance facility. We don't
9 have a great meeting facility yet, but we've created a
10 performance facility. So we got a big piece of the pot. Now,
11 the next thing is meeting rooms, and that's going to be
12 important, but does it come ahead of say another AC hotel?

13 CHAIRMAN McCUSKER: Okay. So is everybody okay with
14 that? We take the information, we sit down with the City, we try
15 and come back with a plan that addresses Phase I and II.

16 MR. IRWIN: II and III.

17 CHAIRMAN McCUSKER: II and III.

18 MR. IRWIN: That's right, Chairman.

19 CHAIRMAN McCUSKER: Phil, thank you very much. Stand
20 by.

21 MR. SWAIM: Thank you.

22 CHAIRMAN McCUSKER: Okay. Arena site. Mr. Collins?

23 MR. COLLINS: Mr. Chairman, members of the Board, as
24 you will recall back in January, a purchase and sale agreement
25 was signed between the District and Nor-Generations, LLC. That

1 agreement includes obvious due diligence periods for Nor-
2 Generations, which they have been pursuing. One of those due
3 diligence periods is title objections and another is feasibility
4 period.

5 Timely, Nor-Generations made several title objections.
6 I have been working with Mr. Pat Lopez, who's the attorney for
7 Nor-Generations, to try and resolve as many of those as we can.
8 There are several, but we are making good progress, in my
9 judgment, towards doing that. Once those objections are either
10 resolved to the satisfaction of Nor-Generations or are waived,
11 this can go forward to close. That's where we are.

12 CHAIRMAN McCUSKER: Do you need anything from us?

13 MR. COLLINS: I do not at this point.

14 CHAIRMAN McCUSKER: While you're up, there, Item 11 is
15 the Fox Theatre.

16 MR. COLLINS: Yeah. By way of quick review, as you
17 folks will recall, back in December I explained to you what I
18 thought was going to be the restructuring of the Fox Foundation
19 relationship to the District. It was based upon assignments of
20 leases. The accountants for the Fox Foundation found that to be
21 not acceptable, so after I was authorized to go through the
22 process of doing assignment of leases, the deal changed a bit.
23 But we got the deal put together before the end of the year and
24 the District funded the money necessary to buy out the Trust and
25 simplify the arrangement.

1 Since that time, the District and Fox have been
2 working on what has been called a first amendment to this
3 original agreement. That amendment includes governance covenants
4 and those governance covenants involve several things. It allows
5 the District to view the Fox Foundation's financial records. It
6 precludes the Foundation from making certain organizational
7 changes. It limits their ability to borrow money without
8 approval from the District. And that effort has been ongoing
9 since January. We -- Greg Sonenberg and Larry Hecker, counsel
10 for the Fox, and I have been working on this and we've reached a
11 point where, in my judgment, it's an appropriate time for you
12 folks to consider two things. One, whether or not to ratify the
13 final version of the original restructuring and agreement and,
14 two, whether to give instruction to me to complete the first
15 amendment in accordance with the discussions that we had in
16 executive session and based upon my recent conversations with
17 counsel Larry Hecker and Mr. Greg Sonenberg. How's that?

18 CHAIRMAN McCUSKER: Sounds like we're done.

19 MR. SHEAFE: Sounds like you got pretty much what you
20 need, but you need a motion passed.

21 MR. COLLINS: Yes, I'm --

22 CHAIRMAN McCUSKER: Actually, there are two motions.

23 MR. COLLINS: Well, two motions would be cleaner. One
24 motion would be to ratify the structure of the ground lease and
25 loan modification agreement, and then the other -- to ratify and

1 execute it to, okay, motion number one. And then we can address
2 the first amendment in another motion. How's that?

3 So perhaps you would like to move to ratify the
4 version of the ground lease and loan modification and authorize
5 the executive officers to execute it?

6 MS. COX: So moved.

7 MR. RITCHIE: And I'll second that.

8 CHAIRMAN McCUSKER: So the motion, we've all seen the
9 documents, is to ratify the ground lease and loan modification
10 agreement that was drafted before Christmas.

11 MR. COLLINS: Before New Year's, yeah.

12 CHAIRMAN McCUSKER: There's been no changes to that
13 document?

14 MR. COLLINS: No.

15 CHAIRMAN McCUSKER: All right. All in favor say aye.

16 (Motion approved.)

17 CHAIRMAN McCUSKER: Okay, motion carries. Now, you
18 want a motion to approve or authorize you to complete the first
19 amendment as it relates to the governance covenants.

20 MR. COLLINS: Correct and can --

21 CHAIRMAN McCUSKER: Would you need to bring that back
22 to us or can we also authorize the executive officers to execute?

23 MR. COLLINS: I believe that you can authorize me to
24 complete the process of finalizing the first amendment in
25 accordance with the discussions that I've had with counsel for

1 Fox and that I've explained in executive session, and then you
2 can authorize the Board members to execute it. So the motion
3 could be -

4 MR. SHEAFE: So moved.

5 MR. COLLINS: Okay. Yeah.

6 CHAIRMAN McCUSKER: Mr. Sheafe made the motion. We
7 need a second.

8 MS. COX: Second.

9 CHAIRMAN McCUSKER: Jannie seconded. All in favor say
10 aye.

11 (Motion approved.)

12 MR. IRWIN: Mr. Chairman, if I might just say one
13 thing just on the record real quickly on that if I could. So,
14 you know, we've worked very diligently, counsel, as you know with
15 the Rialto o position them so that after five years of working
16 with them, they finally got into a position where we can take
17 that and feel comfortable that Rialto can take and run the Rialto
18 Foundation and the theatre and all that and we can then repurpose
19 that money just like what we're talking about here just a little
20 bit earlier.

21 I'd love to see candidly a situation speaking for
22 myself where we would have the same situation with the Fox where
23 we put them on a pathway like we did with Rialto and work with
24 them, not -- and get them where they are looking and saying let's
25 put this thing into position. Because I would also love to see

1 us take that money and reposition it and do something else with
2 it. So I'd like to have the kind of relationship -- I think
3 we've had a very good relationship with the Fox. I think we're a
4 little -- I'm personally a little suspicious, given some of the
5 shenanigans that I thought occurred a while back with them, but I
6 think we're past all that and I'd like to just figure out a way
7 to work very closely with them and again put them on a pathway so
8 that at some point in time we're out of the Fox Theatre business
9 and we're repurposing that money. So I just wanted to publicly
10 go on record and say that.

11 CHAIRMAN McCUSKER: Okay. Item Number 12, the
12 Sunshine Mile. Let me set this up. I think we have a couple of
13 people that are going to make a presentation. There's been a lot
14 of news lately about the Broadway corridor. I expect all of us
15 are following it. We've never really educated ourself about the
16 plans or the alternatives. I'm not suggesting that we try and
17 influence the process now, but really try to identify what might
18 happen to our TIF merchants in that sector and what Rio Nuevo
19 might do ultimately when the plans are reached.

20 For those of you who don't follow this, the Sunshine
21 Mile is the Broadway corridor from Euclid to Country Club. It
22 has a voter-approved widening that dates back to the RTA, but
23 there's been a lot of back and forth about how best to do that.
24 There's a citizen's task force who will make a recommendation to
25 the mayor and council. I understand that's on the agenda for the

1 June 9th mayor and council meeting. And then ultimately that
2 will go to the regional transportation authority for final
3 approval. The projects have waivered over the years from
4 significant demolition to something less than that, to a curving
5 kind of Broadway that would maybe provide more historical
6 preservation.

7 At any point, I thought it's important that we
8 understand what's going on, what's of interest to our merchants,
9 the Historical Society has developed a specific interest in this
10 property. So, now, let's just get all of us up to speed and
11 please introduce yourself.

12 MS. ZELNIO: My name is Andie Zelnio and I'm a board
13 member with the Tucson Historic Preservation Foundation. And
14 Demion Clinco asked me to step in today for him. He's at the
15 Preservation Conference in Flagstaff. First of all, somebody has
16 to drive the machine here. I want to pass out --

17 CHAIRMAN McCUSKER: Michele, can you advance her
18 slides? And that way you don't have to do two things.

19 MS. ZELNIO: All right.

20 CHAIRMAN McCUSKER: And if you have some, just set
21 them on the table and face the audience.

22 MS. ZELNIO: Yeah, we have some handouts.

23 CHAIRMAN McCUSKER: Okay.

24 MS. ZELNIO: And I'm also going to direct your
25 attention to the screen for the presentation. Again, thank you

1 very much for inviting us here today to talk about the Sunshine
2 Mile. It's important to the City, its history, architectural
3 history, cultural history.

4 The Sunshine Mile is located in two miles along
5 Broadway, East Broadway, between Euclid and Country Club. It's
6 located in the Rio Nuevo Tax Increment Financing District. It is
7 a part of the City of Tucson in Ward five and six in Pima County
8 District Five.

9 The Preservation Foundation is currently preparing a
10 national historic register nomination for this stretch of highway
11 and we hope to have it designated as the Sunshine Mile Historic
12 District at some point in the future.

13 This map shows -- the orange highlight shows the Rio
14 Nuevo Tax Increment Financing District and the red circle
15 indicates the Sunshine Mile right in the middle of your TIF
16 District.

17 This is the map that you see on the back of your
18 foldout, a smaller version. Demion and I created this map three
19 years ago in anticipation of the first Tucson modernism week.
20 And we went along Broadway and felt that there was a lot of
21 opportunity here and it was under-utilized and so this map shows
22 a few of the images of storefronts along Broadway and on the
23 other side are some historical photos of Broadway shops as well
24 as history.

25 What is mid-century modern? Prior to World War II,

1 Tucson basically built in a pretty traditional sort of Spanish-
2 revival style. Our population in 1930 was just over 35,000
3 people, but by 1960, it was over 200,000, obviously due to the
4 post-World War II economic boom and the number of young families
5 that were moving into western cities.

6 Downtown looked like this in the mid-century and there
7 were a lot of retail shops or department stores. Our main
8 shopping district in the mid-century was downtown Tucson. But
9 with the advent of the car and the building of neighborhoods out
10 in suburban Tucson, such as in this map, Broadway is that center
11 line, that center spine in the map. This was from some of the
12 builders that were building neighborhoods farther out to the east
13 side and the northwest side. These neighborhoods are cul-de-
14 sacs, two and three-bedroom family houses for young families.
15 And this is also from a Tucson builder in the late 50s, how we
16 all lived.

17 Broadway is anchored on the eastern end by not only
18 Broadway Village which is significantly important to all of us,
19 but also by the Chase Bank. It was originally Valley National
20 Bank built in 1971 by Friedman and Jobusch. It's an iconic
21 structure. It's been photographed and published in European
22 magazines. It's one of those buildings that people remember in
23 Tucson and they use it as kind of a funding aid.

24 These are images of the storefronts as they are now
25 along the Sunshine Mile. I know this is tiny, but what I think

1 you can notice is that they're a collection of really unique
2 storefronts. They're all sort of individual. They have a
3 special sort of architectural character. It's not a mini mall
4 that's sort of tan with a bunch of plastic signs on it. They
5 actually have real identity.

6 The second row indicates the Solot Plaza, which is
7 just east of Tucson Boulevard, west of Treat, on the north side
8 of the street. Sonny Solot, who was a real estate developer here
9 in the middle part of the century and developed a lot of the
10 Sunshine Mile, he believed that a 20-foot-wide storefront was an
11 ideal incubator space for small business, small professional
12 business, small retail business. And all of the storefronts were
13 designed by different architects in unique styles and they're all
14 individually owned.

15 This is a rendering by Nick Sakellar of Solot Plaza
16 and he has designed for what is now -- it's a glass gallery.
17 That's the one with the palm tree going through the roof. This
18 is also a Nick Sakellar drawing of the boulevard shops. This is
19 just north of Broadway on Tucson Boulevard on the west side.
20 It's kind of pink now. It was originally meant to be a high-end
21 fashion district with Elizabeth Arden and Lauren Taylor and it
22 was meant to serve the communities of El Encanto, Colonia Solano
23 and bring some of the retail out of downtown and along this
24 strip.

25 Other shops along Broadway at this time were furniture

1 stores, were lighting stores, automobile dealerships, fashion
2 stores. This was really an extension, the first real serious
3 extension of the retail district from downtown Tucson to reach
4 the communities that were being built farther east.

5 This is another shot of the Sunshine Mile Kelly
6 Building on the right, some of the little store fronts. This is
7 on the north side just west of Tucson Boulevard. Some of these
8 storefronts over the years, there's been a sort of preservation
9 by neglect because of this road-widening debate of no one really
10 knowing what's going to happen with these buildings. So in some
11 ways they've been untouched and they're very well built. Some of
12 them have had sort of stucco facades put on the front of the
13 original structure, and I'll show you a couple of those.

14 In 1953, the local newspaper sponsored a contest to
15 name this important strip in Tucson. That's how important it was
16 that they sponsored a contest, gave a \$1,000 prize, to whoever
17 could name this. The winning name was the Sunshine Mile and we
18 have the Sunshine Mile merchants here also to talk to you a
19 little bit. They revitalized the name and have adopted it again
20 to brand that strip.

21 Some of the really important architects that built
22 along this two-mile stretch of Broadway is really incredible
23 because every important architect and designer who was working in
24 Tucson in the 1950s, '60s, built something along this strip of
25 Broadway. That includes Bernie Friedman, Fred Jobusch, Nick

1 Sakellar, Ralph Haver. We only have one Ralph Haver building in
2 Tucson. He's a very important architect in Arizona, a lot of
3 buildings in Phoenix. He's nationally known. It's the Child and
4 Family Services building on Broadway now. It was originally a
5 furniture store.

6 Anne Rysdale, she was the only licensed female
7 architect in the state of Arizona during this period and she
8 built over 150 buildings. Charlie Cox, William and Sylvia Wilde,
9 Cain, Nelson and Ware, among others.

10 These are just a few of the buildings. This is the
11 Broadmoor Medical Center from 1954. This was William Wilde and
12 his wife, Sylvia Wilde. It's just south of Broadway at the
13 entrance at Manchester into Broadmoor.

14 This is the Felix Medical Center and I can't actually
15 see all the dates from here. '65. This is Cain, Nelson and
16 Ware. It was modeled after the famous Mexican architect, Luis
17 Veragan.

18 This is Anne Rysdale. It's American Optical from
19 1958. And the stacked brick bond makes it sort of unique, the
20 asymmetrical sort of storefront.

21 This is the Arizona Bank from 1964. Is that right?
22 Friedman and Jobusch, first drive-through bank.

23 This is the Broadway Office Building. It's also
24 Friedman and Jobusch, 1965. It's still in use. You drive under
25 the second floor and into an office courtyard.

1 This is the American Service Center from 1950. It's
2 one of the earlier buildings. We don't have an architect on
3 this. We're searching for it. But typical, because of the car,
4 we have a lot of automobile dealerships along that strip and we
5 have a need for gas stations and service stations.

6 This is the Kelly Building. Besides the Chase Bank
7 Building, I think we consider this the most important historic
8 building along this strip of the Sunshine Mile. It's designed by
9 Nick Sakellar. And it's a really beautiful building. It's still
10 in use. Again, you drive through to this sort of courtyard area.
11 It's a really important building and we hope that we can keep it.

12 This is Anne Rysdale -- the two-story building is Anne
13 Rysdale with the glass store front, the exposed stair, the
14 mezzanine, very mid-century in its character and I think it was
15 originally a fabric store or lighting store or something. So
16 retail, anyway.

17 This is the Nehring Insurance Building, Friedman and
18 Jobusch. This is in the Solot Plaza. El Tour de Tucson has
19 their offices in there now.

20 We found the original drawings on all of these
21 buildings. We spent a lot of hours going through microfilm in
22 the city archives and to pull up the archives to get dates, names
23 and also what the facades looked like originally.

24 And before we go on, I just -- I'm just going to hold
25 this up because I don't have it in the presentation, but as we

1 walked along Broadway, you know, we photographed all of the
2 buildings. And we also were looking at the sort of character of
3 the buildings and the material, the architectural character of
4 the buildings. And it's remarkable how many artists were
5 involved, how many -- the use of materials. Sometimes simple
6 materials like concrete block but they were laid in a unique way
7 because labor wasn't expensive. Tearing down these buildings and
8 building new buildings, we'd never be able to afford this sort of
9 level of detail and character. I'm just going to let you pass
10 that along. It's more eye candy.

11 This is the Snyder Podiatry Building and the
12 remarkable thing about this is the wall panels that draw a lot of
13 attention when you drive down Broadway. They were designed by a
14 local artist, Charles Clement. Charles Clement designed a lot of
15 art sculpture and art pieces for buildings here in Tucson,
16 including downtown at the Transamerica Building, there's a relief
17 sculpture on the front on the church side, that's Charles
18 Clement.

19 This is the Chaffins' Diner. It's still a diner. And
20 the next -- we're going to back and forth here. The next slide,
21 we found the original photo. It was the Sambo's Pancake
22 Restaurant. This is the original photo of what it looked like
23 originally. Now, I'll go back to what it looks like now.
24 Perfect. So, you know, architecturally, structurally, it hasn't
25 really changed. It's really just the facade details and things

1 that would be fairly simple to come back and sort of revitalize
2 some of these buildings. You can go back to the new one. Thank
3 you. And the next.

4 This is the Ray Manley Photo Studio. This is just
5 south of Broadway on Tucson Boulevard on the west side of the
6 street. And the next photo is how it looked originally and then
7 back to how it looks today. Again, not so much. Replaced the
8 storefront glass, a little paint, some signage. You know, it's
9 ready to go for a new tenant.

10 And I think there's one more. This is along Broadway.
11 This is The Attic. And what they've done here is they've
12 actually just created -- built a new stucco wall in front of the
13 old storefront. Next photo. This is how it looked originally.
14 And so, basically, that wall was just put in front and we feel
15 like these are sort of cosmetic-type changes that we could remove
16 the old -- the wall that was put in front and restore some of
17 these storefronts. Next.

18 Finally, we all believe that Sunshine Mile should be a
19 destination. It should not just be a traffic corridor, as it's
20 been for a while now. It could be a very productive resource.
21 It could increase our tax base.

22 Beginning in 2012, the Tucson Historical Preservation
23 Foundation started Tucson Modernism Week to celebrate the
24 explosion of our city and the development of our city in the mid-
25 century. This is heritage tourism, if you will. Also, in

1 December of 2012, the Sunshine Mile merchants, which we'll --
2 I'll invite up here in a moment, rebranded themselves as the
3 Sunshine Mile Merchants. Also, not listed here, in December
4 2012, the Arizona Preservation Foundation, that's a statewide
5 organization, named this section of Broadway to one of its 25
6 most endangered places in the entire state. That includes
7 national parks. That includes everything. And, in part, because
8 of the road widening and because of the unique character of this,
9 this is unique to Tucson.

10 An investment in the Sunshine Mile has regional public
11 benefit, as I don't need to go into. It's a gateway to downtown,
12 but I also think it's an extension of downtown in the other
13 direction, too, and also connects to the neighborhoods and the
14 University. It improves the urban core. Heritage development
15 and tourism is very popular. I'll give you a few facts on that
16 in a second. Cultivating small businesses, especially small
17 local incubator businesses. It expands the City's sales tax
18 base, increases property values and the rehabilitation of these
19 buildings and these facades has big implications and significant
20 community return.

21 Mid-Century modern is sort of a hot commodity, not
22 only here, but certainly western cities where we really came of
23 age in the mid-century. Cities all over the southwest. You've
24 seen these resources to create community branding and revitalize
25 their shopping districts.

1 The most obvious example is Palm Springs. I lived in
2 California 15 years ago. It looked a lot like Broadway. It was
3 sort of tired and sort of neglected. And a few very intelligent
4 people came in and said you know what, this is a real opportunity
5 and they transformed that city. And they started the original
6 modernism week to celebrate this mid-century heritage. And I
7 have some facts about the income and also their -- the attendees.

8 This is just one of Palm Springs' bank buildings. We
9 have a lot of the Valley National Banks that have a very similar
10 character.

11 And this is their modernism week with bus tours and so
12 on and so forth.

13 The Millennial Generation is really actively investing
14 in Mid-Century neighborhoods and design. I happen to live in
15 Broadmoor. And every house sold over the last year, and it's
16 been quite a few, is now being occupied by young couples, 20s and
17 30s, baby carriages. They want to live in the urban court. They
18 want to hike to the university or to their jobs downtown or take
19 public transportation. They don't want to live out in gated
20 communities, sort of isolated from what's going on in town.

21 Palm Springs Modernism Week attendance is over 45,000
22 people now. They've done it for nine years. I think they're in
23 their tenth year now. It's recast Palm Springs as a worldwide
24 destination for historic importance, artistic intellectual,
25 everything modern. And it creates 17 to \$20 billion dollars of

1 activity a year for this city.

2 Finally, I hope that I've been able to convince you
3 that we have a real opportunity here. The fact that these
4 storefronts exist, people want them. They just don't know,
5 because of the road widening, nobody's really been able to go in
6 there and establish a strong business. But it's right in the
7 middle of your tax incentive district and could be a real
8 opportunity to revitalize sort of another extension of downtown.

9 And I can answer any questions, if you have some now,
10 but I want to introduce --

11 CHAIRMAN McCUSKER: Does someone have the current
12 alignment status? Do we have a slide or a handout or anything
13 that we can give the Board?

14 MS. ZELNIO: I don't have one with me, but I can get
15 one.

16 CHAIRMAN McCUSKER: Can you just send one?

17 MS. ZELNIO: And do you guys -- does anyone here have
18 that? No, we just --

19 CHAIRMAN McCUSKER: Can you kind of speak to how it's
20 evolved, how it affects some of what you're trying to do with it
21 and where does it go from here?

22 MS. ZELNIO: Yeah. Yeah, we've been working on this
23 for three years and been attending all the meetings. And the
24 impetus for Tucson Modernism Week, we located it along the
25 Sunshine Mile and all the empty storefronts. And we prepared a

1 workshop which this map was part of in order to raise awareness,
2 in order to make people understand that, wait, these buildings
3 aren't just buildings that are in decay.

4 CHAIRMAN McCUSKER: Described as blight.

5 MS. ZELNIO: As blight. You know, they're not blight.
6 They're our history. They're our legacy. They're special.
7 They're what makes us unique. So we've been attending all the
8 meetings. And it started out as an eight-lane highway to extend
9 into downtown. It's now a six-lane highway. All of the public
10 meetings where they took public votes and public votes on this,
11 the number one concern of the community and number one important
12 thing the community voted on was the historic context and the
13 buildings. The community wants to save this district. They want
14 to save these buildings.

15 I was at the public meeting about two weeks ago and
16 that goes to Mayor and Council pretty soon. So the alignment is
17 six lanes now, so we've managed to save more of the buildings.
18 Right now, I believe its eight or nine buildings that are to be
19 demolished due to the road widening. Most of those are west of
20 Campbell on the north side of the street. A couple of important
21 ones, that'd be old Walsh Brothers Furniture store, that's a
22 Place in Place building. Place in Place designed our courthouse,
23 for instance, you know. But there's a few buildings that are
24 definitely going. There's 85 additional buildings that are at
25 risk. And what that means is they're going to have to take a

1 front portion of the property, sidewalks and bike lanes and
2 things like that, which is going to remove some parking.

3 So one of the obstacles that we have and one of the
4 things that we're working on with the City is to relax the land
5 use code in relation to the parking standards, the parking
6 requirements for businesses. And we do something more similar to
7 what's been done downtown and create some parking lots that are
8 walking distance from some of these businesses to create
9 opportunities. People want to walk. People -- and, frankly, if
10 you -- I walked this stretch of Broadway more times than I can
11 tell you, back and forth. And when you walk along, that's when
12 you see all of the character of the buildings and the detail of
13 the buildings.

14 Widening the road, driving, you know, 45 miles down
15 the street, isn't going to help the businesses, because the
16 businesses want you to go slow so that you can see what's there.
17 So that's a long answer to a short question.

18 CHAIRMAN McCUSKER: And we did invite a couple of
19 merchants?

20 MS. ZELNIO: Yes.

21 CHAIRMAN McCUSKER: I don't know if you've a
22 spokesperson or two, but please come on up.

23 MR. MONTOYA: Good afternoon. Larry Montoya, Board
24 Member of the Sunshine Mile Merchant Association.

25 MS. COOK: I'm Monica Hay Cook, and I'm President of

1 the Sunshine Mile and Larry is Vice President. Andie did such a
2 great job of saying a lot of stuff I think we were going to say,
3 so I don't really want to duplicate what she's saying.

4 We started just really grassroots about three years
5 ago. I felt like the area needed a name and had gone up to
6 Phoenix, picked up a brochure from Melrose District, my sister's
7 dog chewed it up, but I took it around to merchants and they
8 signed up to be on the pamphlet. So we've grown from there.
9 We're now a business association and Larry's going to talk a
10 little bit about what we've been doing.

11 MR. MONTOYA: So three years ago, we had no
12 communication in that community, now we do. I've had the
13 opportunity to meet a lot of businesses. We have over 400
14 businesses on the Sunshine Mile, which is really two miles. And
15 we've had, you know, up to 50 members and now we're down to 30.
16 It goes up and down.

17 VOICE: Forty.

18 MR. MONTOYA: Now we have 40, so you picked up 10. So
19 it's been a fantastic opportunity for us to learn and reach other
20 businesses. We, you know, have had meetings, mixers. We try to,
21 you know, invite everybody to come out and hear what we're doing.
22 We do a coop advertising and we bought banners. If you drive up
23 and down Broadway, you'll see 18 banners. Basically, I guess,
24 they go from Euclid all the way to --

25 MS COOK: We only have 18.

1 MR. MONTOYA: We only have 18. So but we have a
2 wonderful little mat that used to be the old Panda Buffet
3 building. It's on Broadway and Tucson. Now it's a beautiful
4 park. We have food trucks that come out every first and third
5 Thursday. And there's different things that we've done.
6 Obviously, we would like to do more, invite more merchants to
7 join and I don't know what's wrong with merchants, but they don't
8 like to share. We want to share. We want it to be a community
9 to work together and to continue just growing our businesses
10 together, and have a vision.

11 MS. COOK: We have a kiosk that the City of Tucson
12 gave us.

13 MR. MONTOYA: For free.

14 MS. COOK: For free that --

15 MR. MONTOYA: It's not high tech, though.

16 MS. COOK: It's not high tech but --

17 MR. MONTOYA: It works.

18 MS. COOK: It's a start, so. I just went through and
19 looked at some of the signage. My husband and I went through and
20 looked at some of the signage, which you have a copy of there.
21 It shows, you know, the mural that we put up on the wall, the
22 pole banners. I thought possibly the signs at Albert's Car Care
23 could maybe be turned into Sunshine Mile signage. Hirsh's Shoes,
24 they restored their sign over the last couple of years, but it's
25 a storefront, too, that could use even more. It's beautiful.

1 Sahuaro Trophy, you know, that sign is just historical, that
2 could be renovated. The Barbershop sign that's sitting on the
3 property, perhaps that could say Sunshine Mile, you know I'm just
4 -- the bow ties and all that, that was in the 60s.

5 There's a sign that's very little known that's a block
6 south, and it says service motor park, and that was a neon sign.
7 I don't know that even -- that's right by Safeway on North 12th.
8 You could -- you probably can't see that from Broadway, it was
9 restored and I think the arrows probably flashed. I mean, that
10 would be really cool.

11 Now, just gone through the wall element on 2026 East
12 Broadway. Now, that was an architectural wall and it probably
13 had a sign on it. You know, several of us have started to
14 restore some of our buildings. You know, I'm thinking, one of
15 the things is that we put a sample here of one of the buildings.
16 Prescott Printing allowed us to do that where, you know, it might
17 just be painting some of the buildings.

18 There is a building at 2530 East Broadway. That's
19 just down from my store. Somebody hit it with a car. And
20 underneath that façade is brick and stone, beautiful stone.

21 But -- and so, you know, there's a lot of
22 possibilities and I think Andie talked about that. I put
23 together real quickly kind of a list, a wish list. I don't know
24 if there are any questions on that.

25 CHAIRMAN McCUSKER: What happens to your wish list

1 items with the realignment? Or are you going to invest in things
2 that get demolished, because, you know, where you are trying to
3 revitalize your --

4 MS. COOK: Yes.

5 CHAIRMAN McCUSKER: -- stretch at the same time?
6 You're kind of --

7 MS. COOK: Right.

8 CHAIRMAN McCUSKER: -- held hostage to ultimately
9 what's going to happen to those --

10 MS. COOK: Well, you know, the banners would -- you
11 know, we're going to have full banners. You know, I tried to
12 think of that as we put this together, you know, the full banner,
13 you know. I assume we're setting up lighting on there and we'll
14 probably still *** -

15 THE COURT REPORTER: I can't hear you.

16 MS. COOK: We'll still have lighting along there where
17 the full banners would still be there. So I tried to think of
18 things that --

19 CHAIRMAN McCUSKER: Are all of these in the public
20 right of way? Are they private property or still proposed
21 property or City property?

22 MS. COOK: They're City, yeah.

23 CHAIRMAN McCUSKER: And most of them -- that actually
24 helps us because we --

25 MS. COOK: Yeah.

1 CHAIRMAN McCUSKER: We can invest in public owned.

2 MS. COOK: Okay.

3 CHAIRMAN McCUSKER: Publicly owned.

4 MS. COOK: Yeah, we have a real small budget. I think
5 we've done quite a bit in the little money that we have, which is
6 just from memberships. You know, possibly the City would help
7 with installation of full banners, you know. I put it down as an
8 installation cost, but, you know, I think they had helped
9 Campbell and some other places.

10 Monument signs. I mean, that's something we would
11 have to work with the City on and that -- because of the
12 alignment, you know, where we do monument signs.

13 CHAIRMAN McCUSKER: City and the dark sky.

14 MS. COOK: And the dark sky. Right now, we looked at
15 it as a non-lighted, but, yeah, you're right. There's dark
16 skies.

17 The storefront plaques, I was thinking, you know, the
18 brochure that Andie handed out, I mean, that would be a great
19 place to start on the historic plaques. We're looking at maybe
20 putting a picture of how the building looked and little bit of
21 information. So that's what I was talking about with the
22 storefront plaques.

23 I'm calling it the Sunshine Mile Plaza, the former
24 Panda Buffet, so I'm trying to brand that as the Sunshine Mile
25 Plaza, so that the City will let us keep it.

1 MR. MCCUSKER: Who owns that?

2 MS. COOK: The City. The City does. We would like to
3 keep it, so I'm, you know, trying to -- so the things we would
4 put there like the benches, the picnic tables, shade, they could
5 all be moved, you know. Hopefully, we're going to have some
6 places along there where people can gather.

7 CHAIRMAN McCUSKER: Have you talked to anybody at the
8 City Development Services or Transportation if we're going to put
9 stuff into the City right of way, have you --

10 MS. COOK: Well, we've been working with that on the
11 plaza and --

12 CHAIRMAN McCUSKER: When you say them, who are you --

13 MS. COOK: It's the City -- he's with real estate. I
14 think it's real estate?

15 MR. MONTOYA: Well, real estate and Jen.

16 MS. COOK: Yeah and Jennifer Burdick. We've been
17 working with them on the use of that plaza. And so everything
18 we've put down there I think could be moved, including the
19 sundial. And, you know, those actually came from Jennifer's
20 proposal. They kind of ran out of money, so -- after they
21 landscaped -- they did landscape it with trees and walkways. And
22 so I took that from her information.

23 CHAIRMAN McCUSKER: Okay. We're going to need to move
24 along.

25 MS. COOK: Yes, and I think we're done. So.

1 CHAIRMAN McCUSKER: Thank you very much.

2 MS. COOK: Yes, thank you.

3 CHAIRMAN McCUSKER: And I commend you guys for what
4 you're doing. And I have some personal experience with Palm
5 Springs. My son lived in Palm Springs for three years. We would
6 visit him often and it is quite a story behind what they've done
7 with this period. And I saw it as a real opportunity to create a
8 destination and I think Rio Nuevo would be really honored to
9 participate in that. I think we've all got to see what the RTA
10 does to you.

11 MS. COOK: Right.

12 CHAIRMAN McCUSKER: And, you know, hopefully, that
13 will be this summer. But these are interesting in terms of
14 things that could enhance the District now.

15 MS. COOK: In that way -- yeah.

16 CHAIRMAN McCUSKER: That don't necessarily get lost --

17 MS. COOK: Yeah.

18 CHAIRMAN McCUSKER: -- on whatever the City does with
19 the remodel, so.

20 MS. COOK: And, you know, I think restoring some
21 buildings would make people realize, wow, something's going to
22 happen there besides just the widening of the street.

23 CHAIRMAN McCUSKER: Yeah. You probably wouldn't want
24 to restore a building if they're going to tear it down.

25 MS. COOK: Well, no. I mean, you know -- I think,

1 hopefully, we have an answer on that real soon, but, yeah. And
2 we appreciate what Rio Nuevo's already done for us and some
3 advertising. So thank you very much.

4 CHAIRMAN McCUSKER: Thank you.

5 MS. COX: I have one question about parking.

6 MS. COOK: Yes.

7 MS. COX: If there's a six-lane road, some of the
8 parking is going to go for these businesses?

9 MS. COOK: Yes. Yes.

10 MS. COX: And I do understand the walking and that
11 walking is important to a community. Walkable communities are
12 incredibly important, but will people walk? I mean, will people
13 walk from a parking lot two blocks down the street, when it's 106
14 degrees?

15 MS. ZELNIO: Do they do that downtown? But it happens
16 downtown now.

17 MS. COX: It does.

18 MS. ZELNIO: I mean, I think that we'd like to think
19 about the Sunshine Mile as an extension of retail and business of
20 downtown. The retail and sort of department store kind of
21 business has sort of moved out of downtown. Downtown's
22 wonderfully revitalized, but it's entertainment and restaurants.

23 MS. COX: Right.

24 MS. COOK: And we need a near downtown place that it's
25 a revitalized shopping district. And so --

1 MS. COX: Well, I agree with you 100 percent. I'm
2 just asking how the merchants -- I think the parking lot is a
3 nice idea. And if it does make it a more walkable community and
4 that people actually walk, it would be great. I just question --

5 MS. COOK: Don't know.

6 MS. COX: -- how the rest of the merchants feel. Are
7 they going to stay there when they have half the parking spaces
8 that they had before or are they --

9 MS. COOK: Well, there's some of both.

10 MS. ZELNIO: I think some of both.

11 MS. COOK: There's some that, you know, need more
12 parking. Some of the restaurants, I know, like Tucson Tamale
13 will need more parking than is allowed.

14 CHAIRMAN McCUSKER: You can't get into Broadway
15 Village now. It's become so successful.

16 MS. ZELNIO: Yeah. Well, they're tearing down the
17 Americana, so --

18 MS. COOK: Well, we -- and I don't know. Maybe that's
19 something Rio Nuevo can help with, too. But the thing right now
20 is that, you know, businesses are supposed to get together and
21 buy property. Well, a lot of them don't have money to do that.
22 So, you know, if one building was down then, you know, do they
23 have money to purchase it and the rest of them use it?

24 MS. ZELNIO: I'm sorry, we don't have the realignment
25 here because I think that would answer a few of your questions.

1 The City already owns I think about 35 properties along the north
2 side of Broadway. Panda Buffet was a good example of one that
3 they tore down and Sunshine Mile merchants are using that. But
4 there is a number of opportunities with empty lots to sort of
5 develop in some way and we're hoping -- you know, we're somewhat
6 held hostage to the RTA engineers with the really fine-tuned
7 development of this widening. Right now, it's looking pretty
8 good, but, obviously, parking is sort of the biggest unknown at
9 this point.

10 Some of the parking lots have been taken, but there's
11 -- they're trying to provide as much parking adjacent to these
12 buildings as possible. And then we're proposing other
13 opportunities where the buildings have already been purchased and
14 maybe already demolished to create some parking lots within a
15 block. Some of these stretches like Solot Plaza and things like
16 that, so we're working on it.

17 CHAIRMAN McCUSKER: Okay.

18 MS. COOK: Gene Hayward is in the audience and he
19 worked on this last alignment. Would you like him to come and
20 speak?

21 CHAIRMAN McCUSKER: We got it. We're dependent --
22 we're dependent on what happens.

23 MS. COOK: Yeah. Okay. Thank you.

24 CHAIRMAN McCUSKER: I think the question before our
25 Board is to -- these are TIF merchants. They got this grass

1 roots plan that could create a destination. It will improve TIF
2 revenue. There's a lot of issues about what happens with the
3 realignment. But do we want to do anything to invest now or just
4 sit on the sidelines and wait for the poo-poo to hit the fan and
5 look at it after the alignment's done? Mr. Irwin?

6 MR. IRWIN: You know, the reason I think we have a dog
7 in this fight is because we do have, you know, all the merchants
8 there, but we really don't have any influence. You know, you
9 guys have way more influence than we would and the Citizens' Task
10 Force to go do that.

11 You know, having been involved in real estate in
12 Tucson for over 30 years, I've always looked at that section and
13 I've said to myself, why hasn't it done better. And I think
14 there's a couple of reasons for that. Part of it is some of
15 those buildings unfortunately have functional obsolescence. You
16 can talk about that until you're blue in the face, but some of
17 those buildings will at least, regardless.

18 The other thing I might point out is those buildings
19 were built during a time in our era when has asbestos and other
20 things that we didn't have -- that we don't use now as building
21 materials are in those buildings. Having gone through abating
22 asbestos at a lot of different projects in town, I can tell you
23 that that is an expensive proposition to do. What I'd like to
24 see us do is -- first, I appreciate you bringing this and
25 informing us.

1 I'd never heard of the Sunshine Mile. Okay? And I'm
2 in commercial real estate and I drive that thing, God, knows how
3 many times. My office building is just kind of down from that a
4 little bit on the 3700 block on Broadway, so I'm not in that,
5 quote, mile, but I'm close enough that I can throw rock and hit
6 it.

7 So I think, you know, educating people about that is,
8 you know, is important. I think, and from my perspective, until
9 the dust is settled and, you know, you guys have made your
10 recommendation and the City's done their thing to hand them all
11 off to the RTA, the RTA will be ultimately who, as I understand
12 it, makes that decision. So I think it's hard for us right now
13 to weigh in. I think it's neat that you guys brought it to us.
14 I'd love to see if it shakes out how we could get involved in it,
15 but I think it's really tough for us right now to really jump in
16 too hot and heavy.

17 And the other thing that you might want to think about
18 is, you know, it's hard -- we get -- investing in private
19 buildings is going to be -- not going to work. So, you know I
20 would suggest you guys also do is maybe enlist somebody who
21 specializes in looking at not just the store structures for their
22 store building, but ask yourselves some tough questions. Because
23 I know as a fact that some of the buildings that you put up on
24 that thing are laden with asbestos. And the reason they haven't
25 sold or leased probably is a little bit tied to that.

1 And it's also somewhat tied to the fact that candidly,
2 all of you have been held hostage for a long time. Who would
3 want to put money into a building if you have no idea what's
4 going to happen to it? You know, nobody in their right mind
5 would do that. So we know you guys have been held hostage. I've
6 listened to people for the last 20 plus years talk about this
7 same exact issue. And I think not making a decision is the same
8 things as making a decision. I hope it comes to the forefront
9 quickly.

10 CHAIRMAN McCUSKER: So your recommendation is we
11 invite them back --

12 MR. IRWIN: Absolutely.

13 CHAIRMAN McCUSKER: -- after we know what the RTA's
14 going to do to them.

15 MR. IRWIN: I think a lot of this needs to be up to
16 speed. I mean, I just learned about the Sunshine Mile about a
17 couple of weeks ago, so I've been trying to understand what it is
18 and I'm trying to measure with where the alignment is and this
19 and not, so, yeah, I just think we need to get up to speed.

20 CHAIRMAN McCUSKER: Anybody disagree with that? Okay.
21 We'll have you back. Stand by. Michelle, calls from the
22 audience? Greg Clark.

23 MR. CLARK: Good afternoon.

24 CHAIRMAN McCUSKER: Name and address, please.

25 MR. CLARK: My name's Greg Clark. I live at 133 South

1 Cherry Avenue and I'm a member of a group that owns six
2 properties on Broadway in the corridor, the 1100 and 1600 block
3 and also some contiguous properties attached. I live less than a
4 block away from Broadway and I would like to see it improved and
5 widened. Our neighborhood -- the Mile's neighborhood has, in our
6 neighborhood plan, have a -- the point that we support the
7 expansion and improvement of Broadway.

8 And I think that this type of thing at this point, had
9 you taken any action on such a recommendation, all you'd do is
10 serve to muddle and confuse the issue. And, yes, the proper
11 point would be to wait for the RTA because this type of thing,
12 getting historical designation, it's just used as an argument to
13 reduce the size of the improvement of Broadway.

14 And I think we need a roadway that serves all the
15 community, including the commuters, the people who drive, the
16 businesses, and also the ability to have new businesses, new
17 commercial building, new residential development, and not just
18 hold hostage to some kind of historical designation that doesn't
19 want to see anything including dangerous asbestos-laden buildings
20 torn down. So thank you.

21 CHAIRMAN McCUSKER: Thank you. That's it. I'd
22 entertain a motion to adjourn.

23 Moved, seconded, carried.

24 (Meeting adjourned)

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