

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona  
August 26, 2014  
1:02 p.m.

REPORTED BY:  
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1           CHAIRMAN McCUSKER: Okay. We're going to call  
2 the meeting to order. It's 1:02 by the official clock. And  
3 we're waiting for Cody Ritchie, who's confirmed to show, and  
4 Ms. Jannie Cox is on the phone, so please rise for the  
5 pledge.

6                           (Pledge of Allegiance)

7           CHAIRMAN McCUSKER: Michele, call the roll.

8           MS. BETTINI: Mark Irvin.

9           MR. IRVIN: Here.

10          MS. BETTINI: Fletcher McCusker.

11          CHAIRMAN McCUSKER: Here.

12          MS. BETTINI: Chris Sheafe.

13          MR. SHEAFE: Here.

14          MS. BETTINI: Jeff Hill.

15          MR. HILL: Here.

16          MS. BETTINI: Alberto Moore.

17          MR. MOORE: Present.

18          CHAIRMAN McCUSKER: Ms. Jannie Cox --

19          MS. BETTINI: Oh, sorry, Jannie.

20          CHAIRMAN McCUSKER: -- present by phone and we  
21 expect Cody Ritchie shortly.

22                   The transcription from the August 12th meeting  
23 has been distributed. It's on line. Any requested  
24 comments, changes, edits? If not, I need a motion for  
25 approval.

1 (Motion made, seconded and carried unanimously)

2 CHAIRMAN McCUSKER: Okay. Good afternoon,  
3 everyone. I mentioned to Mark a little earlier that in the  
4 two years, two months since I've been on the board, I think  
5 this is the first time that we've not scheduled an executive  
6 session.

7 Typically we would use the executive session for  
8 legal matters, personnel matters, legal advice from our  
9 attorneys, you know, confidential negotiations, et cetera.  
10 And we will in fact do some of that today, particularly  
11 around the arena lot procurement, but in the spirit of full  
12 transparency, we're going to do that in front of God and  
13 everybody.

14 You can see that we have the arena site issue to  
15 discuss which has consumed us for the last couple months and  
16 created somewhat of a life of its own, but we also have a  
17 number of other business items that we want to attend to.

18 It's important to remember that this is the first  
19 month that the legislation that was passed in the last  
20 session provides that we are no longer obligated to do only  
21 a downtown hotel, so this district board can now begin to  
22 entertain other projects and you'll see us begin to speak  
23 publicly about some of the things we're interested in doing  
24 as we go forward.

25 First and foremost, we're going to talk about the

1 arena site RFP.

2 And, Chris, I'll have you come up here in a  
3 minute, but let me just make some opening remarks about kind  
4 of where I think we are and what our obligations as a board  
5 are to go forward.

6 And if you were at the last meeting, you saw me  
7 interrupt Mr. Moore around what I believed were some issues  
8 in how we've described this procurement.

9 I will tell you it's been really challenging for  
10 us to be both procurement evaluator and the board ultimately  
11 that will decide the procurement process.

12 Typically most jurisdictions don't do this. They  
13 assign the evaluation of proposals to an independent group  
14 of people, you know, a contractor, an architect, independent  
15 people, and they usually do that very secretively.

16 We didn't want to do that. We wanted to  
17 influence the ultimate development of this site. We felt  
18 the best way for us to do that was to participate in every  
19 measure of the process, that is, we would issue the RFP  
20 collectively, we would review the RFPs collectively, and we  
21 would as a board then make the decision about how to  
22 proceed. We believe that's still in the best interests of  
23 the community, the bidders and ultimately what happens on  
24 this site.

25 We've had some challenges, as you know, going

1 through this and, you know, we would rely on our very  
2 sophisticated counsel, who is a very well known procurement  
3 attorney who represents a number of jurisdictions, to guide  
4 us as we go through this process.

5 We elected to consolidate scores rather than have  
6 an ordinal ranking. And, of course, when you score  
7 something, it creates opportunities for strategic scoring.  
8 If any one member of the board was such an outlier, the  
9 board would have the opportunity to terminate the process.  
10 You can see that we've agendized the meeting in that order.

11 For myself, I believe we should go forward with  
12 the lead ranked score. And I need the attorneys to kind of  
13 help us understand what our obligations are to the process  
14 and to one another, Chris, as we think about that.

15 But I also ranked the Nor-Gen proposal first as  
16 did a number of other board members, so I don't think we  
17 have a situation where you have a single member who was  
18 unduly trying to influence the rest of us.

19 For me, the decision was economic. We represent  
20 state government. We are appointed by the governor, the  
21 speaker, the president of the senate. Ultimately these are  
22 taxpayer dollars.

23 When I evaluated the two proposals, and if you  
24 look at my scoring, they're almost identical, particularly  
25 in the first round, it came down to me to basically simple

1     tay payer economics. Nor-Gen has offered us more money for  
2     the project, but, moreover, I believe the Peach proposal was  
3     flawed in the manner in which they suggested that we  
4     construct a garage. That's a 9 million-dollar obligation  
5     and I don't believe this board is capable of matching it.  
6     You'll remember that our bonds have recently been  
7     downgraded, so for us to take on that kind of responsibility  
8     I felt created an economic disadvantage for that proposal.

9             One of the things I will read to you and read  
10     into the record -- and you can see kind of some of the  
11     strings that were attached to what our obligations are to  
12     evaluate these proposals. This is a statement, an agreement  
13     that we all signed individually with the district as this  
14     process began.

15             You are participating in the evaluation of  
16     submittals that have been received as the result of the  
17     above-referenced solicitation.

18             That is item number 14-2, sale or lease of what  
19     we call the arena site.

20             It is essential that the integrity of the  
21     evaluation process be maintained to ensure that each offer  
22     is given fair and equal consideration. While your  
23     familiarity with particular firms and/or individuals may  
24     tend to influence your evaluation, in this specific  
25     instance, you are required to be particularly objective and

1 to guard against any tendency that might slant your  
2 evaluation in favor of a personal preference. You, me, are  
3 required to report in writing to the procurement  
4 representative named below any actual or potential conflict  
5 of interest as defined in ARS Title 38, Article 8.

6 An additional consideration is the need to  
7 maintain strict security regarding the content of any  
8 submittal and the proceedings of the evaluation committee  
9 meetings during the evaluation process. Once the evaluation  
10 process has started, it is essential that any contact with  
11 the offerers be through and by the RFP administrator only.

12 In addition, evaluation committee members should  
13 not communicate except during committee meetings with any  
14 offerer prior to final scoring and a final list being  
15 created. This requirement is mandatory.

16 To emphasize the importance of the above  
17 considerations, you are asked to sign the following  
18 statement: I have read and understand the above and agree  
19 to be bound by the rules and principles represented. I know  
20 of no conflict of interest on my part nor have I committed  
21 any indiscretion or accepted any gratuities or favors that  
22 would compromise my impartiality. I will maintain all  
23 deliberations of the evaluation committee in strict  
24 confidence during the evaluation process except as otherwise  
25 required by Arizona law. My recommendations shall be based

1 upon an objective subjective review of the offerers'  
2 submittals and the evaluation criteria set forth in the RFP.

3 The instructions we received from counsel limited  
4 our judgments to what was presented to us in writing and  
5 what was presented to us in the oral presentation.

6 You'll remember we had an incident in the TCC  
7 procurement where we had released an RFP for a video  
8 scoreboard. One of the respondents actually suggested an  
9 alternative that might have been better and cheaper. Under  
10 our procurement code, we were not allowed just to accept  
11 that alternative bidding. We actually had to terminate the  
12 process and rebid the entire offer.

13 Bound by that agreement, in my mind, and  
14 particularly when we talked to Peach about the parking  
15 proposal and Ron indicated that he might have some  
16 flexibility in that, when I reread my oath, I believed that  
17 that could not be considered by this board. We had to  
18 review the proposal as submitted, so when I sat down with my  
19 final score, I gave Nor-Gen the edge, a number of us had.

20 We also have a skewed score that may or may not  
21 have been strategic. We've had a lot of criticism about the  
22 process and, again, you know, maybe the whole thing should  
23 be thrown out and start over again like we did with the  
24 video board.

25 If I believed personally as Chair that there was



1 any impropriety in the ranking, I would be the first to  
2 recommend that we terminate the process. I in fact am most  
3 interested in proceeding with this procurement.

4 So with that, Chris, can you explain to us  
5 legally where we are, you know, what we're obliged to do  
6 next and what the board's options are?

7 MR. SCHMALTZ: Mr. Chair, my pleasure.

8 Mr. Chair and members of the board, Chris  
9 Schmaltz, one of your attorneys from Gust Rosenfeld. Good  
10 afternoon.

11 So where we are today is we're following up on  
12 your comments. You have before you the final scores which  
13 have created the final list. Under the terms of the RFP,  
14 the scoring has been done based upon the initial proposals  
15 and the interviews and presentations. As a result of that  
16 scoring, the Nor-Gen proposal has received the highest  
17 score, thus creating Nor-Gen the number one ranked proposer  
18 and the Peach proposal has the number two ranked proposal.

19 Following up on your comments with regard to the  
20 evaluation committee statement, that statement is a -- sort  
21 of a standard statement that any evaluation committee can  
22 and should sign as part of an evaluation process like we've  
23 had. Because you are the board, the open meeting law rules,  
24 of course, have applied to every step of the process, which  
25 is one of the things I want to highlight in terms of the

1 difference between scoring and voting.

2           Where we are today is a vote. You have -- you  
3 have preserved and have had in front of you the option as  
4 set forth in the RFP as well as in the procurement code the  
5 action that you take at the end of the scoring process.  
6 There's a key distinction between scoring and voting. The  
7 scoring you have all done individually based upon your  
8 review and application of the criteria set forth in the RFP  
9 to the proposals themselves and to the presentations. Each  
10 of you individually submit -- submitted those scores and the  
11 result of the combination of those scores has resulted in  
12 the final list. However, as you have agendized today, today  
13 is the day that you have before you the options that are  
14 reflected on the agenda, which is to take action related to  
15 that final list.

16           As you see in the agenda, one of the actions that  
17 you can take is to proceed -- as is described under the RFP,  
18 proceed with directing negotiations with the number one  
19 proposer. You have that. You've had that from day one,  
20 that authority to take the final list and provide direction  
21 to staff and any other members of the board that you want to  
22 conduct those negotiations with the number one ranked  
23 proposer that is a result of your scoring.

24           The other option that you had from the beginning  
25 and as is reflected in the RFP terms themselves very clearly

1 as well as in the procurement code, one of your options is  
2 to terminate the RFP. And both of those options are  
3 presented to you today as they are options that you've had  
4 from day one.

5 Because we have the final list today, you have  
6 those potential actions and that's the -- the question that  
7 you have to decide today based upon a motion that may come  
8 from one of you today. You have that decision to make and  
9 that action to take.

10 And that's a key distinction between scoring and  
11 final action. Scoring is not votes. It has been clear from  
12 the very beginning that you rank the proposals and give them  
13 scores.

14 Mark and I were talking about an example which  
15 I'm going to use now which is a good example.

16 Say, for example, Bobby Hull is a member of the  
17 board and the evaluation committee and the RFP is issued  
18 related to a location and Bobby Hull really wants to have a  
19 hockey rink included as part of the project. But because  
20 Bobby Hull makes the determination that he's going to follow  
21 the rules of the RFP and apply the evaluation criteria in an  
22 objective but personally subjective way in terms of  
23 comparing two proposals that they received, neither of which  
24 contain the hockey arena, so he scores each of the proposals  
25 individually applying that criteria, gives them two

1 different types of scores. He's still not real happy with  
2 either one because some elements of the proposals are good  
3 and some he's not too happy with, neither of which contain  
4 the hockey rink.

5           So the ranking is the result of combining all the  
6 scores, but then when the question is called and action is  
7 asked to be taken with regard to either of the proposals or  
8 the number one ranked proposal, Mr. Hull chooses to vote  
9 against proceeding because neither of them contain the  
10 hockey arena that he would like to see as part of the  
11 development of the site.

12           You are in that exact same position. That is --  
13 that is the essence of the difference between scoring and  
14 voting on this item because you have scored the proposals  
15 that were submitted to you, you have evaluated them based  
16 upon their criteria that you approved as part of the RFP and  
17 we've arrived at a final list with a ranking of the  
18 proposals. Now you have that option to decide whether or  
19 not to proceed with negotiations, number one, or to  
20 terminate the RFP.

21           Any questions?

22           CHAIRMAN McCUSKER: It strikes me the best way to  
23 do that is to respond to a motion.

24           MR. SCHMALTZ: Yes, I believe so.

25           CHAIRMAN McCUSKER: So we have a couple of ways

1 to proceed. I know a lot of people because we've been  
2 locked up would like to speak to the proposals, how you  
3 arrived at your score. We're now in an up or down vote  
4 situation, so there are no real restrictions, right, Chris,  
5 on what we choose to say at this point?

6 MR. SCHMALTZ: Mr. Chair, members of the board,  
7 that's correct. You can entertain a motion. You could  
8 provide for people to have discussion. Usually discussion  
9 is held in the context of a motion that's on the floor, so  
10 certainly that would be my recommendation, to entertain a  
11 motion and see if you can get a second and then have  
12 discussion on that.

13 CHAIRMAN McCUSKER: Okay.

14 MR. SHEAFE: To move this thing along, let's put  
15 the motion on the floor that we proceed with the vote and  
16 move accordingly -- according to the outcome of the vote.

17 CHAIRMAN McCUSKER: You need to be clearer  
18 because you just have one or two options.

19 MR. SCHMALTZ: And just to clarify, just to make  
20 sure, it's not the outcome of the vote, it's the outcome of  
21 the scores. So if you want a motion, an example of a motion  
22 that you want is to proceed with negotiation with the number  
23 one ranked proposer, which was the Norville proposal. If  
24 you want to add to that motion who should participate or if  
25 you wanted just to have a clean motion that says proceed

1 with negotiation with the number one ranked proposer, the  
2 scores are what they are, and so I think that that's a  
3 pretty clear motion.

4 CHAIRMAN McCUSKER: Is that your intent, Mr.  
5 Sheafe?

6 MR. SHEAFE: Let me be a little more specific.  
7 My motion is that the board vote as to whether or not  
8 counsel shall be authorized to negotiate with the number one  
9 receiver of scores so the high score winner can move forward  
10 with this development in the event counsel is successfully  
11 able to conclude an agreement.

12 CHAIRMAN McCUSKER: We need a second to that.

13 MR. SCHMALTZ: Well, just to clarify, Mr. Chair  
14 and members of the board, there won't be -- we will -- any  
15 successful negotiation will result in us bringing a contract  
16 back to you for approval, so there is no action that will be  
17 taken unless we can successfully negotiate a contract.

18 CHAIRMAN McCUSKER: Mr. Moore?

19 MR. MOORE: I'd like to make some comments if I  
20 may.

21 CHAIRMAN McCUSKER: We have a motion that we  
22 either second or it dies for a lack of --

23 MR. HILL: I'll certainly second it,  
24 Mr. Chairman, for the purpose of discussion.

25 CHAIRMAN McCUSKER: So we have a motion on the

1 floor and a second. Now we're open for discussion. And I  
2 would hope that all of us express our opinions regarding  
3 this vote.

4 Mr. Moore?

5 MR. MOORE: Well, Mr. Chairman, just on that  
6 particular point, I'm just concerned that -- I think before  
7 the legal team gets involved in negotiation, that we as a  
8 board should be talking to the successful bidder to -- to  
9 make sure we are on the same wavelength as far as what we  
10 want to make sure happens in the development of the project,  
11 and then once we've arrived at that conclusion, then bring  
12 in the lawyers to prepare the appropriate documents and  
13 negotiate the details. I think we need to have a  
14 relationship with the bidders as to what we want to see and  
15 how we should perform for the benefit of the committee.

16 CHAIRMAN McCUSKER: So I believe what would have  
17 to happen is either Mr. Sheafe would have to amend his  
18 motion to include that or that's a process motion that, if  
19 this vote is successful, Alberto, I believe you could then  
20 make in terms of how we guide ourselves, what instructions  
21 we give, how we participate in the process going forward.

22 So right now, it's pretty much a straight up or  
23 down vote, do you want to proceed with the number one ranked  
24 proposal, and that if we vote yes, then I think it's  
25 appropriate to discuss how we want to do it.

1           Mr. Sheafe?

2           MR. SHEAFE: One of the constraints that you find  
3 yourself in in this circumstance -- and I'm particularly  
4 sensitive to this as a developer and I've been on the other  
5 side and I've spent with my partners an enormous amount of  
6 money putting together a presentation only to have it  
7 dropped out because somebody else was able to put in a  
8 presentation that maybe even had more merit in that  
9 circumstance.

10           But it's a very extensive process to get to the  
11 point that we're at. And you're asked to answer an awful  
12 lot of questions and make predictions about how the market's  
13 going to respond to a rather massive development, in this  
14 case, easily \$100 million worth of equity, and, frankly, you  
15 just have to have a lot of respect for the thinking and the  
16 effort that goes into that.

17           And we were very fortunate to receive two  
18 presentations that were very complete. Either one of them  
19 would do a great service for this community and both of them  
20 incorporated enormous risk on the side of the development  
21 team, so the vote was not in any way taken lightly, at least  
22 from this person's standpoint.

23           CHAIRMAN McCUSKER: Scoring.

24           MR. SHEAFE: Scoring, excuse me. It needs to be  
25 noted that it is a score, not a vote.



1           However, we're at a stage right now where we need  
2 to deal within the framework of those individual  
3 presentations. We cannot renegotiate the presentations with  
4 the top score winner. We are being asked to approve whether  
5 or not we're going to authorize counsel to see if a  
6 negotiation can be completed to put the assurances in place  
7 that the plan that was presented will be in fact made whole  
8 and become a reality in as short a period of time as  
9 possible.

10           So for that reason, I wouldn't be inclined to  
11 offer that opening because we don't really have that role  
12 available to us. We need to be honest and careful to carry  
13 through this process.

14           And just having said all of that, I'll make one  
15 other small comment.

16           This is my personal opinion, but I think the  
17 system is a bit flawed in that we as individual members took  
18 an oath that we would not communicate with either of the  
19 proposers or each other. It's the each other's side that I  
20 had some difficulty with because, frankly, every member of  
21 this board has unique expertise and it would have been very  
22 useful to incorporate the thought process of other members  
23 in order to make the best decision we possibly could.

24           I had very firm reasons for making the choices  
25 that I made. They had nothing to do with referring one

1 person over another. I happen to know everybody involved  
2 and, frankly, greatly admire the people involved, but my job  
3 was to make the absolute best decision I could for the  
4 community of Tucson and to try and drive the process forward  
5 so that we could get something done in Tucson, which is a  
6 rather unusual circumstance for this community.

7           So that's what we're trying to do here, is get  
8 something done, get the downtown whole envisioned plan to  
9 begin to take life and -- I shouldn't say begin to take  
10 because a lot of it has been happening, but we want to keep  
11 that momentum going. For that purpose, the only thing we  
12 can do as I understand it is score a proposal and then  
13 decide whether or not we're going to move forward on that  
14 basis and stay within that framework.

15           CHAIRMAN McCUSKER: Chris, will you respond to  
16 that? What opportunities do we have assuming we move  
17 forward with the number one ranked proposer? We're now in  
18 negotiating mode.

19           MR. HILL: A point of order, Mr. Chairman.  
20 That's not before us.

21           CHAIRMAN McCUSKER: That's -- you're right.

22           MR. HILL: You've already ruled that that was not  
23 germane.

24           CHAIRMAN McCUSKER: Very good.

25           Anybody else want to comment on the motion?

1 MR. HILL: I call for the question.

2 CHAIRMAN McCUSKER: Call for the question.

3 MR. IRVIN: Will we have an opportunity at some  
4 point to explain our vote?

5 CHAIRMAN McCUSKER: Explain your vote.

6 MR. IRVIN: I don't want to taint the process  
7 further, but -- and so I don't want to make a statement  
8 before the vote, but I don't mind making one after the vote  
9 unless --

10 CHAIRMAN McCUSKER: Let's call the roll. We have  
11 a call for the question.

12 Michele, call the roll.

13 MS. BETTINI: Mark Irvin.

14 MR. IRVIN: No.

15 MS. BETTINI: Chris Sheafe.

16 MR. SHEAFE: Yes.

17 MS. BETTINI: Jeff Hill.

18 MR. HILL: Mr. Chairman, I'd like to explain my  
19 vote.

20 Mr. Chairman, your comments were exactly where I  
21 came from on the scoring, so you don't have to hear a  
22 long-winded explanation. I vote aye.

23 MS. BETTINI: Alberto Moore.

24 MR. MOORE: Aye.

25 MS. BETTINI: Fletcher McCusker.

1 CHAIRMAN McCUSKER: Jannie.

2 MS. BETTINI: Oh, sorry.

3 Jannie Cox.

4 (No oral response).

5 CHAIRMAN McCUSKER: Jannie, you get to vote yea  
6 or nay.

7 We lose her?

8 MS. COX: No, you didn't lose me. I'm sorry. I  
9 pushed a button with the side of my head. So I voted yea,  
10 please.

11 MS. BETTINI: Fletcher McCusker.

12 CHAIRMAN McCUSKER: Yes.

13 So by your votes of one, two, three, four, five  
14 yay and one nay, we've voted to move forward with the lead  
15 ranked proposal.

16 Now, I think, Mr. Moore, it's appropriate to  
17 discuss how we want to do that. I agree with you that we  
18 should not just turn this over to the lawyers. We nurtured  
19 this along and in fact created some controversy along the  
20 way to involve ourselves in the process. To walk away from  
21 it now to me would be totally inappropriate, so, you know, I  
22 think that we should have representative members of the  
23 board with counsel sit down with Nor-Gen and hammer out an  
24 agreement. That would be probably a purchase or sale  
25 agreement, I would assume, and some sort of development

1 agreement, right, Chris, that would, you know, move this  
2 project.

3 MR. SCHMALTZ: That's right, Mr. Chair, members  
4 of the board.

5 Just to follow up now that you've voted to  
6 proceed with negotiations with the number one ranked  
7 proposer, just a comment on Board Member Sheafe's comments.

8 The RFP language makes clear that the proposals  
9 are a starting point, that through negotiation, there might  
10 be sort of tweaks to what they propose. It certainly is the  
11 expectation at the beginning of the negotiations that we  
12 expect that this is the project because that's what you  
13 evaluated and that's what you're proceeding on the basis of,  
14 but there is room as described in the RFP and through the  
15 negotiation process to modify or amend certain elements of  
16 the proposal itself. It's not a contract. It doesn't bind  
17 you in any way. Through the negotiation process, you can  
18 arrive at a contract that you're comfortable with bringing  
19 forward to the board for evaluation and ultimate approval or  
20 disapproval.

21 CHAIRMAN McCUSKER: And in the event we fail with  
22 the number one ranked bidder, we maintain the right to  
23 negotiate with the number two ranked bidder, correct?

24 MR. SCHMALTZ: Yes, Mr. Chair, that's correct.

25 MR. IRVIN: I've got some prepared comments. I

1 would like to explain my vote.

2 In this community and especially given the  
3 history of Rio Nuevo, perception is reality. I think this  
4 is especially true in the current situation involving the  
5 behavior of Board Member Moore at our last meeting. To be  
6 blunt, the community's appalled and so am I. I believe the  
7 members -- most of the members of this board have worked  
8 diligently to be open, transparent and to address and repair  
9 the past issues of community trust that this volunteer board  
10 inherited when we all stepped in.

11 Mr. Moore in particular appeared to be mired in  
12 the past. His actions in not voting for the AC Marriott  
13 Hotel, the improvements to the TCC and other actions speak  
14 for themselves. Just when real progress is being made on so  
15 many fronts, one of our members once again attempted to make  
16 it about themselves and given this board a bloody nose in the  
17 process.

18 Personally I feel he has tainted this process. I  
19 for one am tired of those shenanigans and I would personally  
20 hope that the attorney general will investigate this attempt  
21 by Mr. Moore to fix or rig our RFP process. To be blunt, I  
22 think it's both obvious and unethical.

23 Today I felt we could either allow for a tainted  
24 process to move forward or terminate it and start over.  
25 Although the delay does not excite me given the time that

1 we've spent on this, I think the latter thing is the right  
2 thing to do.

3           The RFP is not the issue. I believe Mr. Moore is  
4 the issue. It seems obvious to me that Mr. Moore has  
5 violated the procurement process with one goal, to award  
6 Nor-Gen the RFP without giving an honest evaluation to the  
7 other proposal. In the process, he has not only violated  
8 the spirit but also the intent of our RFP process and  
9 stacked the cards in favor of one party. This goes against  
10 the instructions we were all given and we all signed when we  
11 elected to undergo this procurement process. All these  
12 documents, what we signed, the RFP and all that, are  
13 available on line and available for all the citizens to  
14 review.

15           Having been on this board since the Arizona  
16 legislature took it back from the city over four years ago,  
17 I've seen many outbursts and personal attacks by Member  
18 Moore that were obviously written by others. Personally  
19 I've been attacked by him and I've listened as he has spread  
20 false rumors and untruths not just about me but about  
21 anybody who disagreed with his position. Last week was not  
22 the first time that I've had to sit and listen to a  
23 manifesto prepared by Mr. Moore and written into the record  
24 that were obviously written by others.

25           Advocating for one party before the rest of us

1 had voted in my opinion violated our rules and I commend our  
2 chair and our attorney for stopping that nonsense at our  
3 last meeting. Mr. Moore gave Nor-Gen two perfect scores of  
4 1,000 each both in a written and oral presentation while  
5 giving Peach Properties a 700 and then following it up with  
6 a 70. If all the rest of the board's scores were calculated  
7 on last week's presentations and we subtracted Alberto's  
8 presentations, you would find that those scores are very  
9 different. The difference was 635 points and Peach actually  
10 won by 135. Mr. Moore scoring Nor-Gen with a perfect 1,000  
11 and Peach Properties on the last round was a swing vote of  
12 530 points on his scoring alone versus 635 for the rest of  
13 the board combined.

14 I do not know what relationship Mr. Moore has  
15 with Nor-Gen, but to me, I think he showed his cards very  
16 early when he invited Nor-Gen to the settlement meeting  
17 between the city and the Rio Nuevo District many years ago.

18 For someone who makes transparency statements,  
19 Mr. Moore has also showed this community how he was going to  
20 score during his June 26th radio program last year when he  
21 was on with John C. Scott. During that show, Mr. Moore said  
22 that Nor-Gen was going to build a 125,000 square foot  
23 facility to house a portion of the gem show on his property  
24 and the other community needs. That plan was to include a  
25 250-room hotel and a parking structure. The RFP that



1 Nor-Gen submitted is void of many of those objectives. It's  
2 also surprising that he included the district's parcel and  
3 still didn't include those other things.

4 I also want to mention that Mr. Moore has been  
5 critical of the district's legal expenses that have been  
6 incurred. And I can tell you that somewhere between 4,400  
7 and \$5,100 have been expended so far due to Mr. Moore's  
8 outbursts last week and I would expect those costs to grow.

9 Finally, I just want to touch on the gem show. I  
10 think this board is making major improvements to the TCC  
11 arena to enhance the gem show and the overall fan  
12 experience, not just for that but for other venues as well.  
13 Other agreements with the TCC are in early discussions. The  
14 district's roughly 8 million-dollar investment and show of  
15 good faith brought millions of investments into the TCC from  
16 the City of Tucson and built a lot of goodwill between us.

17 The district worked diligently this year with  
18 Nor-Gen to address the drainage issues that occurred on both  
19 their site and ours and we were left at the alter.

20 The district worked earlier and voted to address  
21 the parking issues while making serious accommodations on a  
22 parcel that's owned by the district.

23 Although I appreciate very much all that Nor-Gen  
24 has done in adding the gem show every year, their track  
25 record over the past three plus years in building a

1 permanent structure speaks for itself.

2           For those reasons -- and also because I felt that  
3 the concept that Peach Properties came that actually started  
4 off high and then tiered down towards the neighborhood made  
5 a lot of sense to me. I also like the density and some of  
6 the other things that they were doing and the fact that they  
7 had all the pieces pretty well plugged. On the Nor-Gen  
8 proposal, I thought some of the pieces were unspoken like  
9 the museums and some things.

10           So those are the reasons that I made the vote  
11 that I did.

12           I can tell you that, after hearing the  
13 presentations in public last week, people probably noticed  
14 that my score for Peach Properties went down and my score  
15 for Norville went up. They went down because I couldn't get  
16 comfortable with what was going on with the parking  
17 structure.

18           Conversely, I also couldn't get comfortable with  
19 what was going on with the museums that Nor-Gen is planning  
20 to build for the university.

21           So those are the reasons that I voted the way I  
22 did.

23           I still think we're going to have with this vote  
24 serious concerns from our community and I am very  
25 disappointed and I am happy to be the lone dissenting voter

1 on the five to one.

2 CHAIRMAN McCUSKER: Consider that a minority  
3 brief. The one thing I do know about you, Mr. Irvin, is  
4 once the majority has spoken, you tend to get in line. And  
5 that's going to be really important, I think, as we go  
6 forward. Not all of us get our way all the time. This is a  
7 democracy and the majority rules and you're clearly in the  
8 minority position in this case, so I appreciate your remarks  
9 and concern.

10 MR. MOORE: Mr. Chairman.

11 CHAIRMAN McCUSKER: One more thing, Alberto.

12 Mr. Sheafe and I on behalf of the board would  
13 represent us in the event of any protest, so there are a  
14 number of things in there that I might otherwise choose to  
15 comment on which I will refrain from so that we don't  
16 further create any issues in the event there is a possible  
17 protesting bid, so --

18 And, Chris, you've been advised the same, I  
19 believe.

20 Mr. Moore.

21 MR. MOORE: Mr. Chairman, thank you very much for  
22 this opportunity.

23 First of all, I want to apologize for any  
24 confusion or hard feelings that might have resulted from my  
25 statement of August 12th. As you can tell, this project is

1 very important to me and to our community. I was unaware  
2 that I was breaking any rules or violating any protocol.

3 My intent on August 12th as it is now is to  
4 emphasize that this project is much more than just eight and  
5 a half acres of building and parking, it is much more than a  
6 typical real estate transaction and, frankly, it deserves  
7 our full attention, our sense of the impressive and rich  
8 history and future of Tucson and our loyalty to this  
9 community. This is an opportunity as Rio Nuevo board  
10 members to set the standards for excellence for downtown.  
11 This is our legacy and our responsibility.

12 I believe wholeheartedly that this project, if  
13 done properly, can transform downtown, will have a profound,  
14 long-lasting impact on not just the west side of downtown  
15 Tucson but on the entire community as well as the entire  
16 region.

17 This project can be the capstone on all that has  
18 been and will be accomplished in downtown Tucson, the  
19 crowning achievement that elevates this community to new  
20 levels.

21 As a native Tucsonan, it's wonderful to be at  
22 this point in the revitalization of downtown, to also be a  
23 member of the Rio Nuevo board with both ability and the  
24 power to leave behind a proud legacy of achievements and  
25 success.

1           This project represents the culmination of an  
2 exciting process fostered by Rio Nuevo which for all of its  
3 twists and turns and difficulties has brought the focus and  
4 a vision to downtown that is quickly taking shape. After 40  
5 years of wandering in the wilderness, Tucson is becoming  
6 what we truly are, a wonderful place proud of its  
7 multi-cultural heritage, its history and its traditions.  
8 It's a growing, exciting place with pride and promise.

9           Rio Nuevo has created the attention, brought the  
10 efforts, the dollars and, most importantly, the energy to  
11 turn downtown into this exciting, active, thriving place.  
12 It also brought pioneers, brave and hardy souls willing to  
13 gamble and take chances, the Allan Norvilles, the Peach  
14 Properties, the Scott Stettlers, Jerry Dixons to name just a  
15 few.

16           The successful bidder for this work must address  
17 four key challenges. One and most important challenge is  
18 the long-term retention, health and stabilization of the  
19 Tucson Gem and Mineral Show. This is a key mission of the  
20 Rio Nuevo board and this is our legacy.

21           Second, this project will be Tucson's gateway, a  
22 transition point that complements our rich and fascinating  
23 past while reflecting an exciting new future. With some  
24 11,000 years of history, the highly respected multi-cultural  
25 traditions that we honor and an exciting future ahead, this

1 is a wonderful opportunity to celebrate a storied past  
2 blended with today's technology and global perspectives.

3 Will that first impression be inspiring, special,  
4 unique to this place we call home or will it be something  
5 less than that? This gateway to Tucson should speak to our  
6 history, our culture and our vision. This is a special  
7 opportunity. This is our legacy.

8 The third challenge is an opportunity and a  
9 responsibility to create a truly urban place, our  
10 Rockefeller Center, our Century City, our Bryant Park, our  
11 St. Marks Plaza. This urban area will be vibrant, active,  
12 thriving, a magnet for residents and visitors alike, alive  
13 and inviting. This, too, is our legacy.

14 The fourth challenge is to serve as a transition  
15 point, the linch pin in knitting together both the east and  
16 west sides of the freeway with an adventurous past that  
17 looks to many cultures and traditions, blending with a  
18 vibrant future that extends beyond our new horizons and  
19 possibilities. This is an exciting opportunity to bring  
20 together the birthplace of Tucson and its first settlements  
21 with the vibrant efforts in downtown.

22 After careful study, I believe that the Nor-Gen  
23 project steps up to these challenges, responds beautifully  
24 to the site, its context and its purpose. It would be an  
25 exciting and appropriate gateway. It wonderfully

1 complements existing uses and buildings on the Norville  
2 parcel and, as an addition to what is there now, can become  
3 the true urban heart of Tucson.

4           Allan Norville has also stepped up to a point  
5 where his facilities, GJX Gem & Mineral Show, are regarded  
6 as one of the three legs of what is known in the industry as  
7 the Golden Triangle. This triangle consists of the TCC,  
8 Allan's facilities, and then the rest of Tucson's business  
9 that are involved in the event.

10           Allan spends several million dollars a year to  
11 provide the main tent and enclosures, security and other  
12 required services to enable over 700 dealers and exhibitors  
13 to gross an estimated \$750 million in a variety of  
14 negotiated transactions over a 10-day period. His efforts  
15 have had and will have a huge impact on Tucson's economy.

16           The Peach development, a fine, well planned  
17 project which could be located elsewhere in Tucson, does not  
18 seem to offer the same opportunities and possibilities as  
19 the Nor-Gen project.

20           My reasons for supporting the Nor-Gen proposal  
21 are these: Nor-Gen's concept is comprehensive and  
22 integrated, not just with surrounding uses but also with the  
23 TCC and downtown. Its influence and importance will be much  
24 broader than eight and a half acres as it will have a  
25 significant input on the entire western end of downtown as

1 well as Rio Nuevo West.

2           The GJX Gem and Mineral Show is a very important  
3 annual event in Tucson and Allan Norville has been a huge  
4 supporter and facilitator. At present, the eight-and-a-half  
5 acre parcel provides parking for approximately 600 vehicles.  
6 The Nor-Gen proposal calls for a parking structure of 1,200  
7 vehicles which, coupled with their proposal to construct a  
8 120,000 square foot exhibition center at their expense as  
9 well as a hotel, offices, museums and public spaces, should  
10 have a very significant impact on the long-term stability  
11 and retention of the GJX show. The Nor-Gen plan provides  
12 very important support for both the attendees and the  
13 public. This project could also possibly showcase other  
14 events both in conjunction with the University of Arizona as  
15 well as other businesses.

16           One-of-a-kind museums celebrating Tucson's  
17 prominence in the gem and mineral world, photographic and  
18 fine arts collections are planned in conjunction with the  
19 university and just add to the interest and attractiveness  
20 of the project. Again, these will help stabilize and ensure  
21 the long-term success of the GJX event as well as the entire  
22 Tucson Gem and Mineral Show.

23           As a gateway to downtown, Nor-Gen's proposal  
24 highlights what has already been accomplished while creating  
25 new impressive architecture, exciting pedestrian-friendly



1 public spaces, and the recreation of the historical  
2 structures and elements.

3 Nor-Gen has treated the historic El Paso &  
4 Southwest railroad station with respect, dignity and  
5 historical accuracy. I am confident that they will plan and  
6 protect the historic railroad line as well.

7 This is our opportunity, our legacy. Let's  
8 complete the mission given us. Let us as the Rio Nuevo  
9 board lead and inspire. This is our opportunity and  
10 responsibility to complete the vision of what downtown  
11 Tucson can and wants to be.

12 The gateway is the transition of the past and the  
13 future.

14 Thank you.

15 CHAIRMAN McCUSKER: Mr. Hill.

16 MR. HILL: Mr. Chairman, with some trepidation,  
17 but I think for the public's interest, I think maybe you  
18 misspoke. I think when I explain it, you'll understand  
19 where I'm coming from.

20 I once served on a board of 50 some people, an  
21 RFP board to pick a state accounting system and, when the  
22 vote came, it was 50 to one to pass the number one bid. I  
23 was the lone no vote. And I won't bore you with all the  
24 background, but where you've urged Mr. Irvin to get on board  
25 with this, I would urge that Mr. Irvin continue his

1    scepticism, whatever it is, as any of the board members  
2    through this process so we get the best bang for the buck  
3    from this board for the community.

4            As it turned out, I didn't go along with that  
5    board. I went to the department of -- director of  
6    administration, went to him with my complaints. The next  
7    day, he found out their bid was fraudulent and canceled it.  
8    If I had not done that, the state would have been out  
9    millions of dollars. So I would urge the members and  
10   certainly Mr. Irvin to continue with any scepticism. And if  
11   there is any problems with this bid, that for the public's  
12   consumption that we make them very clear.

13           And I won't get into the personality  
14   difficulties.

15           Thank you, Mr. Chairman.

16           CHAIRMAN McCUSKER: Mr. Hill, thank you very  
17   much.

18           Okay. We need to create some instructions going  
19   forward. The simplest thing to do would probably be to  
20   allow the executive officers to sit down with counsel and  
21   negotiate with Nor-Gen. If you have an alternative to that,  
22   make the motion.

23           MR. IRVIN: So moved.

24           MR. MOORE: Mr. Chairman.

25           CHAIRMAN McCUSKER: Mr. Moore.

1           MR. MOORE: I'd like to be part of that  
2 committee.

3           MR. SHEAFE: Could I suggest that we amend --

4           CHAIRMAN McCUSKER: We have a motion. It has to  
5 be seconded or not.

6           MR. HILL: I'll second it, Mr. Chairman, for the  
7 purposes of discussion.

8           MR. SHEAFE: Could I -- could I then --

9           CHAIRMAN McCUSKER: Let's be clear where we are.  
10 We have a motion to allow the executive officers with  
11 counsel to proceed with the negotiations with Nor-Gen, so  
12 now discuss away.

13           MR. SHEAFE: So we -- we can be comfortable,  
14 let's bring Alberto in since -- or any other members of the  
15 board --

16           CHAIRMAN McCUSKER: It creates a quorum. We  
17 can't do that.

18           MR. SHEAFE: Well, then I'll step out if you'd  
19 like.

20           CHAIRMAN McCUSKER: We have a motion and a  
21 second. We've got to vote. If you're -- Mr. Moore has  
22 asked to participate. I heard you suggest that you would  
23 trade places with him. This motion would have to be denied.  
24 It would have to be a substitute motion.

25           Any other conversation as to the motion?

1 MR. SHEAFE: Is there any other way that we could  
2 allow Alberto to participate?

3 CHAIRMAN McCUSKER: Not mathematically unless the  
4 board were to magically increase its size.

5 MS. COX: Call for the question.

6 CHAIRMAN McCUSKER: Michele, call the roll.

7 MS. BETTINI: Mark Irvin.

8 MR. IRVIN: Yes.

9 MS. BETTINI: Jannie Cox.

10 MS. COX: Yes.

11 MS. BETTINI: Chris Sheafe.

12 MR. SHEAFE: No.

13 MS. BETTINI: Jeff Hill.

14 MR. HILL: Aye.

15 MS. BETTINI: Alberto Moore.

16 MR. MOORE: I want to be on that committee, but  
17 take it for what it's worth.

18 CHAIRMAN McCUSKER: You've got to vote.

19 MR. MOORE: Yes.

20 CHAIRMAN McCUSKER: What's the vote status? Is  
21 it four to two?

22 MR. SHEAFE: Four to two.

23 CHAIRMAN McCUSKER: So I abstain. This motion  
24 passes four to two, so we'll proceed with that.

25 And, Alberto, we'll find a way to involve you

1 that doesn't violate the open meeting rules somehow.

2 Okay. Can we move on? Anybody else have a --

3 MS. COX: Well, I would like to take just a  
4 moment to explain my ranking of the proposals.

5 CHAIRMAN McCUSKER: Go ahead.

6 MS. COX: Okay. I felt that both the Nor-Gen and  
7 the Schwabe proposals were very well considered and  
8 complete. They were very, very well done. To fulfill the  
9 intent of either of these proposals would be a wonderful  
10 thing for downtown.

11 The reason I ranked the Schwabe proposal higher  
12 is that his financing was secure from the beginning to the  
13 end. And I also favor the higher residential density. I  
14 felt that the Nor-Gen proposal showed great vision and it  
15 was very exciting, but for me, a sure thing and a good plan  
16 trumps the visionary plan that seems to have so many  
17 uncertainties.

18 But I also would like to say that, like my friend  
19 Mark Irvin, I am a key player also with a level of  
20 scepticism and I want to go forward with the hope that the  
21 successful bidder's vision will be realized for our  
22 community. And that's all.

23 CHAIRMAN McCUSKER: Jannie, thank you very much.

24 So Mr. Norville will be in touch and we have a  
25 process going forward. That takes us to item seven, I

1 believe, on the agenda. The other items will, therefore, be  
2 moot.

3 Elaine, are you ready for your TCC update?

4 MS. BETTINI: That's not on the agenda.

5 CHAIRMAN McCUSKER: So the --

6 MR. SHEAFE: Mr. Chair --

7 CHAIRMAN McCUSKER: Never mind.

8 So item number seven, that's the TCC. This is my  
9 item. You've heard this mentioned in the past, that we want  
10 to celebrate the reopening. I budgeted \$50,000 for that  
11 event. We can now confirm the Beach Boys have committed to  
12 the January 3rd arena concert.

13 The band's contract is for \$100,000. That would  
14 be recouped. I'm not asking for any new money. That would  
15 be recouped primarily through other sponsorships. Our  
16 general contractor has agreed to help underwrite the event.  
17 We have a number of other people involved in that and, of  
18 course, ticket prices, but I would need authority to sign  
19 the Beach Boys contract.

20 And welcome, Cody Ritchie, back to the  
21 festivities.

22 MR. RITCHIE: Was anything going on that I  
23 missed?

24 CHAIRMAN McCUSKER: No, you didn't miss anything,  
25 mostly the weather and --

1 MR. RITCHIE: I show up and everybody leaves.

2 MR. HILL: Mr. Chairman, am I correct in there's  
3 no additional money?

4 CHAIRMAN McCUSKER: Right. I don't need any  
5 additional money, just authority to sign the contract.

6 MR. HILL: So moved, Mr. Chairman.

7 MR. IRVIN: Second.

8 (Motion made, seconded and carried unanimously)

9 CHAIRMAN McCUSKER: Now on to our westside lot.

10 Mark, can you update us on the status of the  
11 westside deed?

12 MR. COLLINS: Mr. Chairman and members of the  
13 board, yes. As of last -- last week, we got additional  
14 information from the City of Tucson. I provided that to WLB  
15 Group. Yesterday, I got a legal description for the  
16 westside parcel which I can now attach to the deed and  
17 tender it to the city, which is the next step in the  
18 process.

19 CHAIRMAN McCUSKER: So it's moving along, but we  
20 don't have a deed as of today?

21 MR. COLLINS: We don't have title yet. We have  
22 the last remaining piece of the deed.

23 CHAIRMAN McCUSKER: And, Ric, are you prepared to  
24 make a brief presentation to us as to kind of where you are?

25 MR.

1 MR. ESPIRITI: Yes, I am.

2 CHAIRMAN McCUSKER: All right. Let me introduce  
3 our architect for the west side, Ric Espiriti. You'll  
4 remember we authorized the retention of an architect. He's  
5 one of the best certainly in this area and has been doing  
6 some work that he just wanted to kind of highlight for the  
7 board.

8 Ric.

9 And for our transcriptionist, name and spelling.

10

11 MR. ESPIRITI: Okay. Mr. Chair, members of the  
12 board, my name is Ric, R-i-c, Espiriti, E-s-p-i-r-i-t-i.  
13 I'm a local architect. My office is on Broadway, 2610 East  
14 Broadway.

15 The purpose of my presentation today is a  
16 combined presentation that goes hand in hand with the lienzo  
17 project.

18 I'm going to have some help here.

19 The proposed lienzo project is the line that  
20 has -- the master plan -- in some of the later master plans  
21 provided by -- in exhibits that have been reviewed by the  
22 board as well as Rio Nuevo in regards to the location of it  
23 and how you play in redeveloping -- or developing the west  
24 side, the Santa Cruz River between Starr Pass and Congress  
25 area. Specifically, it lists -- I mean, it's on the



1 southern part of the area where it's presently a landfill.

2           And the proposal obviously is to do it in a  
3 manner that would be not necessarily too elaborate in that  
4 it would be a good project for the neighbors as far as the  
5 use of it for the equestrian activities that they're very  
6 familiar with in this area.

7           And the type of construction would be obviously  
8 one that would be light and be supported by the conditions  
9 of the landfill as it is now with little or no remediation  
10 whatsoever saving a lot of money for this development.

11           The proposal includes parking around the lienzo,  
12 a small plaza and very modest-type horse facilities, so  
13 basically what you would be seeing is construction of a  
14 light structure mainly made out of metal. The shade devices  
15 would be metal again with supporting columns and all that  
16 supported by piles that would go down into the refusal area.

17           This project -- and I really don't want to go on  
18 elaborating too much. I think the board has -- already is  
19 understanding that this is where it's going to be located.

20           Along with this project, we have the -- we have  
21 the west side reforestation project that is a combination of  
22 effort between the city and Pima County. As it stands, the  
23 idea is to reforest the side of the Santa Cruz River along  
24 its banks from Starr Pass and up north to Congress area.

25           On the west side of this landfill area in

1 conjunction with the lienzo is for us to take and use it as  
2 a buffer between the neighborhood areas, specifically the  
3 Barrio San Augustin which is north of the Mission Gardens  
4 and west of the Tucson Origins and the San Augustin Mission,  
5 just north also of the Mission Lane.

6           The concept obviously is to create and bring back  
7 the native plants that used to be abounding in this area.  
8 And there's, again, a good reason to do this since the type  
9 of development on this site would require buffering and  
10 there's -- there's already something historically that can  
11 be done.

12           The funding for the -- for the reforestation is  
13 threefold -- or is being proposed threefold. Presently,  
14 Pima County has the portion that goes from Starr Pass north  
15 along the river and the bond that exists now for this  
16 project allows them to develop that area. The city has the  
17 use of the reclaimed water and it will be providing water in  
18 some of the reforestation process here.

19           Specifically, the proposal now is to have the  
20 board consider reforestation. Then we start basically on  
21 the south end of the landfill area into the landfill area  
22 around the Mission Garden on the south and east boundary and  
23 along Mission and Grande Avenue.

24           The reforestation would also include the south  
25 side for the Mission Lane which would incorporate a

1 (inaudible) to commemorate and bring back the activities of  
2 bringing water into that area where the flour mill used to  
3 be operating some time ago on a historical basis.

4 The north side of the Mission Lane, fortunately  
5 that would be done by the city. And the leg that goes up  
6 between Barrio San Augustin and the Tucson Origins and the  
7 San Augustine Mission, which is buffered running along the  
8 east side of that barrio, to buffer it from activities that  
9 will be going on and development in that area there.

10 CHAIRMAN McCUSKER: Ric, describe the process  
11 going from something this conceptual to the approvals that  
12 would be required, zoning -- you know, just generally how  
13 long would it take for us to, you know, be in a position --  
14 this is another unusual situation for us where Rio Nuevo  
15 will actually be the developer of this property. We may  
16 bring in someone as a contractor or consultant, but this is  
17 our land. We want to develop it for public use.

18 You know, it's probably too early to talk about  
19 an estimated budget, I don't know if you have any kind of  
20 ballpark, but just generally how long?

21 And I think the other thing we have to discuss as  
22 a board since we're not normally a land jurisdiction is how  
23 to involve the public in this process so that they can also  
24 participate with us as you design this and ultimately seek,  
25 you know, board approval and zoning approval.

1                   Just where do you go from here? What do you need  
2 from us?

3                   MR. ESPIRITI: At this time to develop the  
4 lienzo, the first steps in our thinking as designer is to  
5 analyze the site. There has been a good number of analysis  
6 and studies made for the landfill over the years. And the  
7 purposes of that is to determine the conditions of the  
8 landfill, what type of remediation it could be depending on  
9 what is to be there, and also to ascertain that all the  
10 archeological and other things that may be there in the  
11 ground are first found and dealt with before any development  
12 can possibly be going on.

13                   So the -- the way we analyzed it, when we have  
14 land that is pretty much brown-type land which is --  
15 requires further analysis, we need to do it on a specific  
16 basis. The lienzo structure has in its physical makeup and  
17 how it's designed very little weight imposed on the land,  
18 especially if it's going to be on piles that would go all  
19 the way down.

20                   So the processes are this. For us to determine  
21 what it would actually cost to build this, we need to know  
22 exactly within the specific site area -- I'm not talking  
23 about the whole landfill. I'm talking within five acres  
24 where this lienzo will be sitting with this seating area,  
25 some -- part of the parking for the -- for the people that

1 will be participating as well as the park, horse facilities  
2 and so forth, and also additionally another five acres for  
3 parking.

4           So we're looking at a 10-acre portion of that  
5 area that is on the west side that is undeveloped at this  
6 time, the landfill. And it would be located on the most  
7 southern part between -- at this point, closer to Starr Pass  
8 than it would be to the northern part or Mission Gardens.

9           In between this project and Mission Gardens, it's  
10 proposed that additional parking could be in the future or  
11 part of the project in regards to how to develop it that  
12 way. But my focus is and my charge is to analyze only what  
13 it would take to do the lienzo.

14           For us to develop a site analysis, we go out to  
15 study the soil conditions, the depth of the landfill and  
16 what type of foundation system would be recommended. That  
17 would be a cost item that will have to be determined.

18           Once we know that, part of the other processes is  
19 to make sure that the infrastructure that will be supporting  
20 the lienzo is within the convenient or the best way for us  
21 to tap, in this case being sewer, water and related  
22 conditions.

23           Thirdly, we analyzed all the issues associated  
24 with transportation, how are we going to bring the  
25 handicapped persons and the impaired persons into this site

1 by either public transportation or private transportation or  
2 on their own to come into the site.

3 Those are basic items. We analyzed many other  
4 things such as what's the best place to place the -- the  
5 horse pens so that we can quickly get into them and get out  
6 of there safely and so forth, so there's a lot of things  
7 that go onto the site analysis.

8 We studied prevailing breezes, you know, to see  
9 how best to design the structure so that -- since it's not  
10 going to be an air-conditioned area, it's going to be a  
11 natural shaded area, we want to take advantage of all  
12 possible weather conditions that would help in the comfort  
13 of the participants as well as the ones that are --

14 CHAIRMAN McCUSKER: Our next meeting is the end  
15 of September. Do you think you'd be in a position to have  
16 an idea of the cost involved in the next steps? It doesn't  
17 sound like there's anything we can do or need to do today,  
18 but, you know -- and you're working with WLB, right, who we  
19 have under contract to help with the engineering, so maybe  
20 by the next meeting you'd have a better idea of kind of what  
21 you need from us, what we need to think about and approve.

22 Any comments generally from the board about the  
23 project?

24 Go ahead. Mark Irvin has --

25 MR. IRVIN: Just really a question for you.

1           First of all, thanks for your efforts and work on  
2 this.

3           I haven't seen all the underlying data on this,  
4 but I know that a long time ago that the City of Tucson had  
5 put some numbers to remediation on this site. And I've  
6 heard all kinds of different stories about how deep the, you  
7 know, landfill is and all that kind of stuff. And I've also  
8 heard, which I don't have any stock in at all, that those  
9 remediation costs, you know, could run as high as  
10 \$50 million, which tells me they're probably \$100 million.

11           I've not really seen or analyzed those studies  
12 and it sounds like -- you know, obviously, you're not  
13 talking about the whole site, you're talking about maybe we  
14 have to do some remediation on --

15           MR. ESPIRITI: Well, actually it's not necessary  
16 that we -- the way we will approach it is to not do any  
17 remediation. And that would be the very first way for us to  
18 make sure that we're coming up with a structure that is  
19 going to be accepted not only by the board but by the  
20 community and us not spending money on something that could  
21 be not necessarily enjoyed in the process of development.

22           And the challenge has been that way. I've known  
23 this property for many years through involvement with other  
24 groups. And I've seen them the same as you, studies made by  
25 very professional outfits that suggest, you know, we need to

1 do this or do that.

2           Personally, there are methane probing stations  
3 throughout that keeps telling us where we are with it. And  
4 obviously it's still a very active landfill and for it to  
5 exhaust the methane condition, we're talking about many,  
6 many years from now. So for us to take advantage of the  
7 site as it is and leave it as it is, we need to look at the  
8 best possible use and we think it is to provide at least  
9 some community activity such as this.

10           But more succinctly to answer your question,  
11 landfill remediation is a very expensive item and the  
12 numbers -- right now, we can say, well, we only need  
13 \$50 million to do it, but once you start digging into it,  
14 you will find yourself, you know --

15           CHAIRMAN McCUSKER: Part of the experts that  
16 we've consulted, Mark, in that regard is don't touch the  
17 cap. Once you've penetrated the landfill, you've got all  
18 kinds of problems. So the idea was to try and find a use on  
19 what is an historic landfill that you can't asphalt over,  
20 you can't concrete over, you can't put anything with serious  
21 weight on it without removing the debris and this is  
22 actually one of the few projects that works. It's also  
23 consistent with the original Prop 400 Rio Nuevo --

24           MR. IRVIN: Yeah. And --

25           CHAIRMAN McCUSKER: The lienzo is something that



1 needs little weight and could be supported. You know, that  
2 was really the intent. It was not to remediate the land at  
3 all.

4 MR. IRVIN: That's really what I want to know.  
5 And, obviously, since we're not remediating, it's an active  
6 site.

7 Chris, you know, you and I both have a lot of  
8 experience with that over at Gateway. There's a reason that  
9 there's not trees over there.

10 I notice you've got a lot of landscaping there  
11 that won't grow with methane, so I'm just kind of curious.  
12 And I know you're very early in conceptual now, but it would  
13 be interesting to see a creative solution to how we get  
14 beyond that point because there's a reason that there's not  
15 a tree or a bush or even a desert plant on that area over  
16 there. They just can't live in the methane. So I'll be  
17 very interested to see how we find a way to address that.

18 MR. ESPIRITI: That's correct. On the other  
19 project presented originally with the reforestation, since  
20 we know a little bit about the land, we know the outlying  
21 area of the landfill except for the one that goes right  
22 against the river, it's better to build and also to do any  
23 planting if we're going to do any of that. So there's work  
24 to be done to identify those areas and to say, okay, we can  
25 reforest -- do the reforestation part along with the lienzo

1 and start working on some areas like that and identify how  
2 the land works.

3           We've been consulting with other experts that  
4 have done some studies and we feel very comfortable that,  
5 again, we don't have to reinvent the wheel. You know, it's  
6 been studied forever and we will take advantage of those  
7 studies. Amongst them is a gentleman, Phil Rosen, who's  
8 done quite a bit of analysis of this area. He's got a few  
9 suggested alternatives as to how to replant this area and  
10 I'm looking into that along with other people that I'm  
11 consulting with to see what would be feasible.

12           And you're absolutely correct, there's no way for  
13 us to plant anything that would have methane coming up, but  
14 we might be able to find pockets, areas where we can do some  
15 planting. And, again, where would they be is just a matter  
16 of probing without cutting through the crust.

17           The idea is -- when we say don't cut through the  
18 crust, it means don't break through it with your bulldozer,  
19 but you can probe obviously. That probing can be done with  
20 augurs and very simply done that way so we can determine.  
21 And, again, that would require studies.

22           That's what we're doing, by the way, on the  
23 lienzo, is going in there with -- with a company that will  
24 actually give us a very good idea as to what's underneath  
25 there for the specific areas where I intend to assign the

1 pile system. And there's many engineering ways to do this  
2 without affecting the crust much. And that's the proposal.

3 And, again, we're on a very preliminary basis.

4 We would have to -- to answer your question, Mr. Chair, we  
5 have to abide by the land use code, the Tucson land use code  
6 that has been set already and dedicated to the Rio Nuevo  
7 specifics. The land use code would allow us to do this  
8 project, but there's a rezoning issue we have to deal with.  
9 There's also some other conditions that need to be met per  
10 the code.

11 I take the code and I go through it item by item,  
12 identify them and do whatever is needed study-wise to come  
13 out with the best solution possible, so there will be a lot  
14 of presentations not only with public and board for  
15 approvals but also with the agencies that would be approving  
16 us and giving us their support in regards to what we need to  
17 do on that to meet that code.

18 So we're looking at a road that's going to take  
19 us not this year. It's going to be basically taking this  
20 year and possibly into next year late to be able to come up  
21 with something construction between now and then. The  
22 analysis that I'm doing probably is going to take another  
23 two months.

24 CHAIRMAN McCUSKER: Mr. Sheafe.

25 MR. SHEAFE: Yeah, I have a couple of questions.

1           First, having had some experience with this some  
2 years ago, are you aware that all the mapping you're talking  
3 about is already done?

4           MR. ESPIRITI: I'm aware that a lot of it has  
5 been done. I'm aware that there's available to us  
6 everything possible, photography and so forth and so on.  
7 I'm also aware and I have documents that show the -- the  
8 landfill as far as the thermal-type imagery and where I can  
9 see where the pockets are that are deeper and that. All of  
10 that we're taking advantage of. We're not going to reinvent  
11 the wheel.

12           CHAIRMAN McCUSKER: They're dated, though, aren't  
13 they, Ric? I mean, when was the last infrared?

14           MR. ESPIRITI: Well, that one is a 2002 -- the  
15 one that we used was 2002, but it's done every so often to  
16 operating where the methane is. There's a way to -- to do a  
17 population to determine where we are with this and look for  
18 those data. And you're right. I need to search --

19           MR. SHEAFE: Well, let me just suggest that John  
20 Jones would be a great resource to know because I was there  
21 when they were doing all this. We paid thousands --  
22 hundreds of thousands of dollars to prepare all this  
23 information and, frankly, the world hasn't changed that much  
24 since those days.

25           CHAIRMAN McCUSKER: And who's --

1           MR. SHEAFE: John ran the whole process for a  
2 long time for the city. He's since retired. He's up on Mt.  
3 Lemmon now; extraordinarily knowledgeable individual, very,  
4 very bright, and he could very quickly point you -- well,  
5 WLB has most of this information.

6           The real question I've got, and I don't ask this  
7 with any form of disrespect intended, but I am personally  
8 very sensitive to this deal that we start doing more and  
9 more reports and more analysis and end up with nothing on  
10 the ground, and yet I really appreciate the expertise you  
11 bring to the table.

12           So let me ask a question. Can you in a sentence  
13 or two define what is your role and are you working within  
14 any formal budget?

15           MR. ESPIRITI: My role is to quickly put the  
16 project to today's conditions, in other words, take all the  
17 data that has been done, look for it, gather it, analyze it,  
18 ask people is there any more, you know, whatever. Once I  
19 know that, then I can put together the map or the plan that  
20 I need to put together.

21           CHAIRMAN McCUSKER: I believe we did cap it,  
22 correct, Mark?

23           MR. IRVIN: Yes.

24           CHAIRMAN McCUSKER: 25,000?

25           MR. IRVIN: Right. Right.

1                   CHAIRMAN McCUSKER: Yeah, so it's capped at  
2 25,000.

3                   MR. ESPIRITI: And the way it goes is basically  
4 it's on time and materials. If it takes me less than that,  
5 then that would be the amount that I'll use. And I'm hoping  
6 that there'll be a point where you will be looking at me as  
7 the architect who developed the drawings and all those  
8 things for construction and that money that is not used  
9 possibly could go to the other.

10                  MR. SHEAFE: Well, my question isn't intended to  
11 show any disrespect for that effort because I know it's  
12 quite a large effort and I wholly appreciate the requirement  
13 of trying to put that together. It's not an easy task.  
14 There are resources, though, and those records remain  
15 available, but they still take time to organize and put it  
16 all together and we need that.

17                  In your mind, let's assume we have that  
18 information. What are we trying to do with this property?  
19 If you were to say -- if you said, okay, I've got this  
20 information, here's where the methane is and here's where we  
21 can plant trees and here we can do this, but at the end of  
22 the day, what are we trying to accomplish?

23                  MR. ESPIRITI: Okay. What we are doing is coming  
24 out with the project lienzo with all the facilities required  
25 for 2,500 people. And the basic budget that you typically

1 do for arenas like this type and so on, it has to be like  
2 400,00 seats to be able to develop it and how -- some sort  
3 of financial plan to see whether or not it's feasible.

4           There's resources that we have yet to tap. We've  
5 done a little bit of that, but there are people that are  
6 running lienzos specifically in Arizona where the market may  
7 be similar to what we have in regards to the participants.

8           I look at them not only to determine whether or  
9 not we're on a drain basis here or what, you know, or are we  
10 in a project situation where it's feasible. If I see that  
11 this thing is moving way up from that budget that I'm  
12 putting myself on in regards to developing or designing it,  
13 then I have to make a recommendation.

14           So part of your question, what is it I'm trying  
15 to do, it's not creating work for myself as much, I  
16 appreciate that, and I do, but it's also to make sure that  
17 we don't end up with another big phased situation.

18           And I went through the experience of knowing a  
19 little bit about the last board and how that worked out and  
20 so forth and so on and -- and it is refreshing to see this  
21 new board taking this very careful process of making sure  
22 that every step of the way is done in a manner that is  
23 responsible and very gratifying to designers and other  
24 people that have -- have had the experience of working in  
25 Tucson.

1           CHAIRMAN McCUSKER: At the end of the day, Chris,  
2 we'd end up with a site plan and probably some renderings  
3 that we would have to take to the city. This is still zoned  
4 R1, so we've got to rezone it. You know, you've got to get  
5 the public to buy into the project. We have to determine  
6 its cost as any developer would. This is right now  
7 conceptual and we're prepared to spend a little money trying  
8 to get it to the point where is it even rational enough to  
9 pursue, if so, how much. And then we would then agree as a  
10 board to engage in the process which would require a  
11 rezoning on this property.

12           MR. SHEAFE: And I really appreciate your putting  
13 it in that terminology because I'm fully respectful of that  
14 and I know that's where we're going to go. I'm making the  
15 assumption that the zoning meeting we'll get one way or the  
16 other and our job is to figure out the best use for the  
17 property.

18           The weakness in this plan from the beginning, and  
19 when I say from the beginning, is that many people had  
20 visions of Prop 400, which was the original enabling  
21 proposition, that were completely separated from any  
22 economic reality. And early in the game, we had tons of  
23 ideas of how we could create all kinds of burdens on the  
24 public system which had absolutely no ability --

25           CHAIRMAN McCUSKER: And spend a lot of money.



1           MR. SHEAFE: And spend a ton of money. And I'm  
2 going to be very sensitive as one board member to make sure  
3 you do exactly what you just described, which is to make  
4 sure that anything we decide to push forward is  
5 self-sustained, serves the public interests that we want it  
6 to serve, but also has a realistic economic surrounding to  
7 it and pretty much has to take care of itself because we  
8 just don't have any money to go over there and create a  
9 grand park that really doesn't have a way to sustain and  
10 support itself.

11           Now, one of the interesting things is that the  
12 property just north of this where Dixon is developing, he  
13 has gone from you don't want anybody to be involved in it  
14 because nobody is interested in it to creating the highest  
15 square foot valuation for residential property in the state.  
16 And it just shows the ability to create a strong economic  
17 base and still have something that lots of people are  
18 enjoying and dealing with.

19           We can't do that down here because of the  
20 landfill. There has been a lot of remediation on the  
21 landfill when they were pumping oxygen and water in and  
22 getting things to break down. That still won't support  
23 weight, but it gives us a lot options as to what we're  
24 doing.

25           So I'm very pleased, frankly, with your

1 description of what you think you're trying to accomplish.

2 MR. ESPIRITI: Thank you.

3 MR. IRVIN: Just one last question.

4 What zoning do we require for this? We're R1  
5 now. What do we require to go to this use?

6 MR. ESPIRITI: This use will require that it  
7 be -- it's an arena and it will be a rodeo. There's a  
8 zoning that allows it to be there for a rodeo. And it's in  
9 a sandy area that requires -- so it would have to be -- the  
10 zoning administrator would look at this and also help  
11 determine what is the zoning that would support this.

12 CHAIRMAN McCUSKER: This whole section is going  
13 commercial --

14 MR. IRVIN: I realize that.

15 CHAIRMAN McCUSKER: -- from Starr Pass to  
16 Congress, mixed use commercial.

17 MR. SHEAFE: It might be R1 rodeo.

18 MR. HILL: I like it.

19 CHAIRMAN McCUSKER: All right. So we'll have you  
20 back on the agenda in September. We'll work with you in the  
21 meantime maybe to begin to flesh out more of what we need to  
22 keep pursuing this.

23 He is capped currently at 25,000 bucks, so -- the  
24 old Rio Nuevo board spent \$18 million before they walked  
25 away from the science center, so the most we could spend

1 before we walk away from this is 25 grand.

2 Thank you.

3 Anything else for Ric?

4 MR. IRVIN: No.

5 CHAIRMAN McCUSKER: Ric, we're really happy to  
6 have you. Thank you very much.

7 MR. ESPIRITI: Thank you very much and we'll  
8 start working.

9 CHAIRMAN McCUSKER: While we're on the west side,  
10 Mission Garden, you'll remember that, when we settled with  
11 the City of Tucson, we committed to a million one of funding  
12 for the Garden.

13 Gene and Roger, you guys can come up.

14 Now that we have legislative approval to proceed  
15 with that project, they've asked for a discussion around the  
16 process. They've in fact submitted what I would describe as  
17 a preliminary budget. We would need to decide how we want  
18 to proceed with them going forward. We do have a very nice  
19 process in place now as a result of the TCC in terms of, you  
20 know, someone requesting money, approving a request, board  
21 authority, check writing, all that kind of stuff, so the  
22 actual distribution of funds is not going to be a challenge,  
23 but in terms of how we -- what level of oversight or  
24 budgeting or process we want we get to decide on.

25 So, Roger, please introduce yourself and describe

1 the project.

2 MR. PFEUFFER: Thank you, Chairman McCusker.

3 My name is Roger Pfeuffer. I'm co-chair of an  
4 organization, Friends of Tucson's Birthplace. We have a  
5 five-year, three-way agreement to develop and operate  
6 Mission Garden. We're about two -- a little over two and a  
7 half years into that agreement.

8 And we appreciate the -- the fact that we were  
9 looked at in terms of the agreement between the city and Rio  
10 Nuevo in terms of the exchange of properties and that we've  
11 come to the point where I think we can move forward with  
12 that agreement in terms of the financing. I think you've  
13 been provided a copy of the -- of a budget to complete the  
14 Garden. We expect to complete it within the next two years.

15 I do want to give you a little bit of an  
16 overview, probably a dozen pictures.

17 This is a picture -- actually a stitched together  
18 picture of Mission Garden taken from a vantage point where  
19 we take a photo occasionally. Two years ago -- actually I  
20 shouldn't say -- in January of 2012, this was an empty field  
21 with a wall around it and this was taken last week with the  
22 orchard and a summer garden here. And this wall encloses  
23 the four acres. We have planted about two acres of that.

24 This is a portrait of the summer garden about two  
25 weeks ago. Right now, you can't see any ground because it's

1 covered with vines and plants because of the rains we've  
2 got; a little bit of squash blossom coming up.

3           This is our timeline gardens. We have a series  
4 of gardens that are explaining the history of agriculture  
5 all the way from 4,100 years to present. We have early  
6 agriculture and this is the Hohokam garden. And these  
7 are -- this is the pre-contact -- pre-contact Hohokam garden  
8 and this is the post-contact Hohokam garden. All have been  
9 planted and are -- and are thriving right now.

10           Before we go to the next, this -- this area,  
11 which is basically the southeast corner -- southeast  
12 quadrant of the -- of the garden, is where we are going to  
13 be building the interpretive center as part of the plan.

14           This is a summer garden again in full bloom.

15           Next.

16           There's squash and some corn coming up, a little  
17 higher than knee high by the 4th of July, and we have  
18 some -- we have some Mexican sweet limes that are our first  
19 year for that kind of citrus.

20           Next.

21           This is one of the undeveloped areas. The  
22 orchard that we saw is over here. This is -- this basin  
23 will be at least a 120-vine vineyard from Heritage Grapes.

24           Next.

25           This will be -- this next will be mission

1 cropland, basically the kinds of crops that were raised by  
2 the missionaries with the help of the O'odham.

3 Next.

4 And the third one, undeveloped area, will be also  
5 croplands, wheat, barley, lentils.

6 These two last parcels are really going to  
7 explain what we -- one of our stories, which is the  
8 Columbian exchange, in other words, what did the old world  
9 bring over to the new world in terms of plants that were  
10 used here and what did the new world introduce to the old  
11 world folks and these gardens will be a mixture of both of  
12 those. And I think working together hand in hand, so to  
13 speak, like these two pomegranates, I think we can -- we can  
14 create the finish to this garden within the next two years.

15 Okay. Next going past this --

16 Never mind.

17 Okay. You have the budget in front of you. It's  
18 a pretty straightforward budget. It talks about general  
19 landscaping both in and outside.

20 It talks about one of our major things is  
21 utilities. We have been operating for -- since 2010 with no  
22 electricity, no sewer, so we have -- we have -- our  
23 irrigation system runs on solar, so we need to bring  
24 electricity into the storage building.

25 We have the interpretive structure and toilets

1 over in that southeast corner -- southwest corner, excuse  
2 me, a couple more ramadas to build.

3 And then we have furniture and -- and exhibits,  
4 the architectural, project management, et cetera, along with  
5 some operation costs for the two years left to complete the  
6 garden.

7 I'm happy to answer any questions you might have.

8 CHAIRMAN McCUSKER: Mr. Hill.

9 MR. HILL: Mr. Chairman, looking at the budget,  
10 one problem jumped out at me. Operation costs are not  
11 normally funded by the state. I don't know if they're  
12 illegal or they constitute a gift which is unconstitutional.  
13 You can't give money to somebody for their employees, not  
14 our employees. The people listed here are not our  
15 employees, so I think we've got a fundamental problem there.

16 And then the soft costs, if those costs --  
17 architectural and engineering I assume would be wrapped up  
18 under a contract even though it's down below the 728,000. I  
19 would think those may be all right, but I just can't believe  
20 that either ethically or without a conflict of interest or  
21 legally that we can fund two years' worth of operation costs  
22 for this.

23 CHAIRMAN McCUSKER: Mr. Collins, do you have the  
24 settlement language handy?

25 MR. COLLINS: I do.

1           CHAIRMAN McCUSKER: And will you tell us what we  
2 agreed to or -- my recollection is it's probably pretty  
3 vague.

4           MR. COLLINS: It is rather vague. It was  
5 intentionally so, Mr. Chairman, members of the board. The  
6 language in the settlement agreement says that the district  
7 agrees to fund Mission Garden's project as follows: One,  
8 complete the Mission Gardens project within the project's  
9 walls, two, fund additional improvements outside the project  
10 walls but within the area of the west side Proposition 400  
11 projects that support the Mission Gardens project and,  
12 three, the total funding under this subsection shall not  
13 exceed 1.1 million dollars.

14           Mr. Chairman --

15           CHAIRMAN McCUSKER: It does sound like  
16 construction dollars, though. I mean, that's --

17           MR. COLLINS: It does. And, Mr. Chairman, to  
18 Mr. Hill's point, if you elect and vote to proceed forward  
19 with -- with funding some or all of this, I would recommend  
20 to you that you direct the appropriate -- the preparation of  
21 an appropriate agreement so all of the issues that Mr. Hill  
22 raises and others are addressed. There have been a whole  
23 lot of contracts over the years signed with respect to this  
24 property and I would urge you to consider cleaning all that  
25 up in this process.



1           MR. PFEUFFER: One thing to consider -- and I  
2 understand that normally the funding for these kinds of  
3 projects are construction projects and you're constructing a  
4 building. What we're constructing is a living museum. And  
5 in order for that museum to be a complete museum, the care  
6 of those living things inside the museum have to be taken  
7 care of while it's being constructed. That was our point in  
8 terms of including these kinds of costs.

9           We are -- we are currently paying for a gardener,  
10 we are currently paying for a project manager, but there are  
11 going to be additional responsibilities as the garden is  
12 expanded to its full capacity and those are the things that  
13 we -- those are the reasons we put that in.

14           CHAIRMAN McCUSKER: Let's do this if there's no  
15 objection, let's ask counsel to determine if we even can  
16 entertain anything other than hard dollar construction  
17 costs.

18           MR. PFEUFFER: That's fine. We certainly don't  
19 want to do anything illegal or --

20           CHAIRMAN McCUSKER: It may be beyond the  
21 settlement agreement. As Mr. Hill suggested, it may go to  
22 our very charter and what we have statutory authority to do.  
23           Mr. Sheafe.

24           MR. SHEAFE: I frankly think it's going to come  
25 down on the side, Roger, of not being able to support

1 operations with this funding. I've been around these  
2 discussions a lot and it was always the intent never to put  
3 operational costs into these budgets because at the end of  
4 the day, if you do that, then the whatever it is becomes  
5 dependent on that, and then you come up against the day when  
6 they say we don't have any money, we can't continue the  
7 process, you have to give us more money, and the whole idea  
8 is to make these things develop out in a way that they  
9 become self-sustaining.

10 So let me offer a little suggestion just for a  
11 way to get through this meeting because you need to get  
12 things done, too. I would make the proposal that we  
13 establish a threshold of 300,000 and limit your expenses to  
14 just infrastructure improvements that you need as a first  
15 stage of funding and that you propose both a budget and  
16 priority of uses for that 300,000. It comes back to this  
17 board, which we then can at least allow you to get on that  
18 portion of it while we're figuring out the rest of this  
19 1.1 million.

20 MR. PFEUFFER: Okay. I think -- I think the --

21 CHAIRMAN McCUSKER: No need to react to that.  
22 We're kibitzing.

23 MR. MOORE: Is that a motion?

24 CHAIRMAN McCUSKER: I didn't hear that in the  
25 form of a motion.

1 MR. SHEAFE: It is a motion.

2 MR. MOORE: I'll second it.

3 CHAIRMAN McCUSKER: Okay. Now we have a motion  
4 and a second to authorize up to \$300,000.

5 Mr. Irvin.

6 MR. IRVIN: I just have a couple questions.

7 How large are you envisioning, Roger, the  
8 interpretive center and restroom structure is going to be?

9 MR. PFEUFFER: It's going to be largely a  
10 ramada-type structure, lots of outdoor covered area, but  
11 there will be a core of that building that will be some  
12 office space, some storage space and probably something in  
13 the neighborhood of -- something in the idea of a gift shop,  
14 so I -- I believe the footprint of it is actually very  
15 constrained because it's in the corner -- the southwest  
16 corner and across -- close to that southwest corner is the  
17 natural gas line which we have to stay a certain distance  
18 away from in terms of any construction or any -- any  
19 planting.

20 That is all part of the plan that was -- we're  
21 operating off of the master plan that was -- that was  
22 built -- that was designed for the garden. I think there is  
23 going to be a little bit of redesign because the esthetics  
24 of that were -- were not what our board was looking at. It  
25 was basically a modern building set in a traditional garden,

1 so we're looking at the possibility of looking at some of  
2 these studies, but the footprint is about 2,400 square feet.

3 CHAIRMAN McCUSKER: All right. So --

4 MR. IRVIN: One other question.

5 What's your guys' relationship with Native Seed?

6 MR. PFEUFFER: We have received a lot of Native  
7 Seed donations for our gardens. Many of -- almost all of  
8 our gardens are planted with Native Seed surge and we are in  
9 the situation of growing seeds for Native Seeds surge and  
10 giving it back it them.

11 MR. IRVIN: Thank you.

12 CHAIRMAN McCUSKER: Do we have a motion and a  
13 second to authorize up to \$300,000?

14 I'm assuming that would require the agreement  
15 first that Mr. Collins referenced. Any further discussion?

16 Mr. Moore?

17 MR. MOORE: Yeah, a couple of questions.

18 One, I noticed there's nothing in here for  
19 parking unless I missed it. And, you know, I don't know who  
20 you're piggybacking on for parking, but it seems to me that  
21 that should -- if you're looking at an audience to come to  
22 your property, you should be having some parking facilities  
23 and I don't see anything here.

24 MR. PFEUFFER: We are --

25 May I answer that?

1           We are looking -- we currently have a parking  
2 agreement for a construction parking lot which is  
3 probably -- I would say could park 40 cars. The  
4 transportation situation is changing rapidly on the west  
5 side. With the street car now, there is the ability for  
6 people to get from the street car to the mission.

7           We had a large event this Sunday, Tucson's  
8 birthday, at the Mercado. We used a van to shuttle people  
9 from the Mercado to the garden. We probably took 100 people  
10 in the shuttle, but we also had people that walked from the  
11 Mercado to the garden and back and thoroughly enjoyed that  
12 experience, so --

13           CHAIRMAN McCUSKER: Do we still have the site  
14 plan?

15           Isn't your deed specifically inside the walled  
16 area? Isn't that the property the county owns and, when we  
17 refer to Mission Garden, it's the interior of the walled  
18 complex?

19           MR. PFEUFFER: That's correct.

20           CHAIRMAN McCUSKER: All right. So you really  
21 don't have any opportunities.

22           And that's the Rio Nuevo land, right? Is there  
23 an easement or a roadway or anything there that you can put  
24 public parking on?

25           MR. PFEUFFER: Well, when -- when -- when we got

1 the agreement with the city, the city did own this land.  
2 This is before -- before your agreement, so we've been  
3 operating under the fact that we have this parking along  
4 here. But it is something that we have to study and  
5 provide -- and provide parking. But we are also looking at  
6 new ways of -- of getting people to the garden from -- from  
7 some areas that -- particularly Cushing Street. Cushing  
8 Street is very close to this, so I think we need --

9 CHAIRMAN McCUSKER: Mr. Moore, do you have some  
10 follow-up?

11 MR. MOORE: Yeah.

12 CHAIRMAN McCUSKER: Go ahead.

13 MR. MOORE: Well, it seems to me that I would --  
14 what I'd like to see is that Rio Nuevo is given some credit  
15 for putting -- obviously you don't have any parking, you  
16 just have the four walls, so if you're going to have  
17 parking, whatever it is, then some of those funds that are  
18 allocated to you should be applied to the parking areas and  
19 any of the additional improvements outside that property.  
20 And I think that part of that million one should be applied  
21 to -- to those needs as it takes to run your business. And  
22 I don't see any of that being factored in here and I don't  
23 see anything that Rio Nuevo has required. And that concerns  
24 me because I don't want to go build more parking for you and  
25 then it takes away from other projects, so --

1           CHAIRMAN McCUSKER: All right. So for the  
2 moment, we have a motion to authorize up to \$300,000. My  
3 assumption is they have to be hard costs. Obviously I think  
4 the expectation is you come back with the rest of the budget  
5 identified. We'll determine if any of that can be soft  
6 costs or not between now and the next meeting.

7           Any further discussion?

8           MR. PFEUFFER: I do have a question.

9           CHAIRMAN McCUSKER: Go ahead.

10          MR. PFEUFFER: 300,000 will be dispersed as a  
11 lump sum or on a --

12          CHAIRMAN McCUSKER: Procedurally the way we work  
13 is you would submit invoices to us and we would pay -- it  
14 would be like a draw account, so we would pay as you  
15 submitted completed work.

16          MR. PFEUFFER: So it wouldn't be a reimburse to  
17 us, it would be a direct payment?

18          CHAIRMAN McCUSKER: It would be paid direct to  
19 the contractor on an approved amount and properly invoiced,  
20 approved by the chairman and the treasurer. And we can do  
21 that, I think, as long as we stay within these parameters,  
22 but all that, I think, will get spelled out in the agreement  
23 that Mr. Collins is going to draft.

24          MR. COLLINS: Thank you.

25          CHAIRMAN McCUSKER: All in favor say aye.

1 (Motion made, seconded and carried unanimously)

2 CHAIRMAN McCUSKER: Thank you very much.

3 While we're taking about the west side and  
4 talking about broken promises, this is one of the real  
5 travesties, I think, of the old Rio Nuevo. The Barrio San  
6 Augustin, which is the barrio immediately adjacent to our  
7 property and the City of Tucson, originally was budgeted for  
8 \$4 million of improvements. I think the original budget was  
9 \$8 million. They dropped that to four and eventually  
10 reneged on that.

11 So these -- we're looking at commercializing  
12 property immediately surrounding an historic barrio. I  
13 think we have a moral obligation but also a commercial  
14 obligation that, if we improve our parcel, we do something  
15 on behalf of the barrio immediately north of us.

16 That's as far as I've gotten with this idea. I  
17 think we would want to gauge the board's interest in doing  
18 that and then probably come to you with some sort of budget  
19 or plan or something to do that.

20 I think the more that we can activate the barrio,  
21 the more attractive these properties are going to be, the  
22 more tourists that will be attracted to our project  
23 generally. And this is really one of the worst things that  
24 the old Rio Nuevo board did, was walk away from this barrio.

25 MR. IRVIN: Is that a project you envision we



1 would take on by ourself? Given that that is city property,  
2 that we would engage them in that discussion?

3 CHAIRMAN McCUSKER: We have. And this is all  
4 private property, so none of this is city owned. These are  
5 private homes adjoining the city and the Rio Nuevo parcel,  
6 so I would hope that we'd have all kinds of people that  
7 would help match this, but, you know, we haven't had a  
8 concrete conversation.

9 I think that we should do some things that look  
10 at sidewalks, landscaping, streetscapes. If you've driven  
11 through there lately, everything's a chain link fence. It's  
12 really not going to be an attractive area if you try to  
13 commercialize around it. And we don't want to run these  
14 people off either, so, you know, I think there's a way to  
15 invite them to participate, maybe enjoy a good work  
16 environment or improve their property.

17 So I think -- I just want to acknowledge to this  
18 barrio that we're committed to them. We want to involve  
19 improvements in that project as we look at commercial  
20 development that totally surrounds them.

21 MR. RITCHIE: Mr. Chairman, I would make the  
22 comment that I would be supportive of that, although I think  
23 that the people in that barrio have to be willing to work  
24 with us, too, because in the past before I got on the board,  
25 it's my recollection that representatives of the city,

1 especially that neighborhood, have been -- have been quite a  
2 force in keeping us from doing what we want to do, develop,  
3 so I think that we have to have -- there has to be some give  
4 and take.

5 MR. SHEAFE: May I just say that, if we get into  
6 zoning issues, we're going to have plenty of time to do some  
7 horse trading. And it is not in any way for getting earlier  
8 commitments that were made.

9 It's also -- we have to be respectful of  
10 public dollars being used on private property. And all of  
11 that is a rather complex question, so I think it's good that  
12 the issue is raised because it tells people that we're  
13 thinking about it. I'd sure be reluctant to make any kind  
14 of a commitment here today in specifics as we really don't  
15 know exactly what we're doing.

16 MR. IRVIN: I would concur with that.

17 CHAIRMAN McCUSKER: What would you want to see as  
18 the next step?

19 MR. SHEAFE: I think the next step should be that  
20 maybe we actually get our arms around what we would do if we  
21 get the opportunity and that would give us some concept of  
22 where we go in the zoning process because, you know, there  
23 are things over there that are really rightfully the city's  
24 responsibility.

25 CHAIRMAN McCUSKER: Measuring the sense of the

1 board, no action today.

2           Item number 11, we do have agendized the renewal  
3 of Mr. Paton's legislative liaison contract. It's seasonal,  
4 so it has to be renewed if we want him to represent us in  
5 the next session. I'd be remise if I didn't remind you that  
6 he did an extraordinary job for us in the current session --  
7 most recent session. Our bill passed without a single no  
8 vote. He had a lot to do with that. We don't have any  
9 particular legislative agenda today, but, you know, he's  
10 also prepared to represent us and react, so I would  
11 certainly encourage us to renew --

12           MR. RITCHIE: Mr. Chairman, is that the 75,000  
13 or --

14           CHAIRMAN McCUSKER: I think it's 65, but --

15           MR. COLLINS: It was 65.

16           CHAIRMAN McCUSKER: 65. No changes recommended.

17           MR. RITCHIE: The 65,000 is regardless if he does  
18 something or not? I mean, I don't -- I know last year we  
19 only needed him -- I remember a couple years ago we thought  
20 about doing a retainer with him, and then if we did actually  
21 use him, kind of a performance clause. Is there any  
22 possibility of thinking that through?

23           CHAIRMAN McCUSKER: I think he'd be very open.  
24 This is a pretty standard retainer. Again, you don't pay a  
25 lobbyist on results, you pay them to participate, and so

1 it's really hard to -- right, Mr. Hill -- hard to put any  
2 kind of --

3 MR. HILL: Very true.

4 CHAIRMAN McCUSKER: -- success fee or anything  
5 like that on --

6 MR. RITCHIE: Well, no, not a success fee, but if  
7 we actually have to have him champion a bill through the  
8 legislature, because if we don't --

9 CHAIRMAN McCUSKER: He may also have to react to  
10 bills that get written around us, too, so -- we -- we don't  
11 currently plan on sponsoring it, but given that we're a  
12 governmental jurisdiction, you can see a lot of changeover  
13 and --

14 MR. HILL: New legislators.

15 CHAIRMAN McCUSKER: -- new legislators. I would  
16 not be surprised that we could certainly be a target.

17 MR. HILL: I'll move the contract, Mr. Chairman.

18 MR. IRVIN: I'll second that.

19 CHAIRMAN McCUSKER: Any further discussion?  
20 Cody, are you okay? Do you want to --

21 MR. RITCHIE: I'm fine.

22 CHAIRMAN McCUSKER: All in favor say aye.

23 (Motion made, seconded and carried unanimously)

24 CHAIRMAN McCUSKER: Okay. We are down to a call  
25 to the audience. I think we may have lost a lot of our

1 requested speakers, so we'll just kind of go through the  
2 cards and, if you don't stand up and holler, you're not  
3 here.

4 First up, John Schaefer.

5 MR. MOORE: He left.

6 CHAIRMAN McCUSKER: He left.

7 Lorraine Bartlett.

8 Please come up. Thank you. Thanks for hanging  
9 around.

10 How's your back?

11 ATTENDEE: It's there.

12 Hello. My name is Lorraine Bartlett. I reside  
13 at 901 West Clear Water Drive. I am a native of Tucson, a  
14 native of Barrio San Augustin, and I come to ask, if you do  
15 help that neighborhood, it's an old neighborhood. We've  
16 never gotten any improvements since I was little. I have  
17 pictures. The streets are the same, everything. There's no  
18 lighting. Some of them work, some of them don't.

19 We were promised, as you guys said, millions  
20 of dollars. It was cut in half and we shared with another  
21 neighborhood. They got theirs and we got nothing. And I  
22 don't think it's fair to have my neighborhood -- yes, it's  
23 an old one and half the residents or three-fourths of the  
24 residents are elderly, and I'm in that elderly now, but some  
25 of them can't afford or can't do it themselves. And if you

1 allocate that money to them, it would be spent wisely.  
2 We're close to Mission Garden. Making us look nice and safe  
3 and well lit helps Mission Gardens also look nice and well  
4 and safe.

5 So that's what I come to say. People there are  
6 disillusioned, disgusted, because as past president, I put  
7 my head out, yes, they're going to do this, we're going to  
8 get that, and nothing was done. So, I mean, if you can and  
9 if you do, we all thank you and, if not, we'll keep trying.

10 If you need any questions --

11 I'm a resident, native. I wouldn't walk my own  
12 streets to the mission because I am now afraid of it because  
13 it's so dark. Before I didn't care. It was fine. I knew  
14 everybody. It was, you know, my neighborhood. Now people  
15 coming in, they're new, they're different and we accept  
16 them. One of them we -- is here. He's a newcomer into the  
17 neighborhood and he has taken an interest in our  
18 neighborhood, which I thank him for because, like I say, the  
19 rest of the residents are very disillusioned with Rio Nuevo.

20 And I'm kind of hesitant to say that in front of  
21 you because I don't want to be bombarded out of here, but,  
22 like I say, they're newbies, but they've taken an interest.

23 MR. RITCHIE: Just a comment.

24 Am I allowed to make a comment?

25 CHAIRMAN McCUSKER: No. Sorry.

1           Thank you, Lorraine. Thank you very much. We  
2 have your phone number and you'll probably hear from us.

3           ATTENDEE: It's on the card.

4           CHAIRMAN McCUSKER: Thank you very much.  
5 Raul Ramirez.

6           ATTENDEE: Thank you, Mr. Chairman, and board  
7 members of Rio Nuevo.

8           I'm here to speak against the proposal for the  
9 lienzo project. Approximately two years ago, I was in this  
10 audience and, as I recall the motion at that time, Rio Nuevo  
11 was going to offer (inaudible), then it was supposed to be  
12 matched by others, including possibly the O'odham Nation.  
13 As far as I know, I don't believe that was done.

14           What's going on now with Mr. Espiriti is  
15 considered to be part of a feasibility study. In my mind, a  
16 feasibility study would also include talking to the  
17 residents and asking for their input and comments about what  
18 they thought.

19           At our last meeting with Menlo Park, the  
20 association took a position which Gene will address, but I  
21 would say that my position is basically, if an individual --  
22 although I have membership in different organizations. I'm  
23 working with the president of Tucson's Birthplace, I'm  
24 working with the (inaudible). I also participated on the  
25 initiation to the completion of the Native American

1 (inaudible), so I've been real active in different areas in  
2 relationship to Tucson.

3 But I don't believe that this is the correct  
4 direction to go with a lienzo. My sense as a personal  
5 person not representing anybody else is that the land should  
6 be preserved and it should be rehabilitated. There was a  
7 plan that was also presented to Menlo Park and I think that  
8 proposal really honors the land and the history.

9 And as you'll recall, this is the birthplace of  
10 Tucson. The City of Tucson didn't respect that when they  
11 built a landfill. And I think in moving forward with public  
12 development on this base that I think is very special given  
13 its history, you would also dishonor and do exactly what  
14 Tucson did when they built the landfill.

15 If you want to invest money in that area,  
16 basically I think you would be better served by working  
17 towards more infrastructure around the Native American  
18 Monument (inaudible) because there's need for parking in  
19 there, there's need for new ramadas in there. You can do  
20 landscaping. I think that would more be in line with what  
21 the neighborhood would endorse and it also would add to the  
22 history of the area by honoring the native people that were  
23 here. Building on that site doesn't do that.

24 So thank you very much.

25 CHAIRMAN McCUSKER: Mr. Ramirez, thank you.



1           Gene Einfrank.

2           ATTENDEE: Thank you, Mr. Chairman and members of  
3 the board.

4           My name is Gene Einfrank and I'm the president of  
5 the Menlo Park Neighborhood Association and I reside at 212  
6 South Avenida Del Sembrador in the Mercado district of Menlo  
7 Park.

8           I'm here today to address the preliminary plans  
9 for development of the westside lot as discussed today  
10 during the agenda, item number eight.

11           During our -- during our regularly scheduled  
12 meetings, we have reviewed several proposed uses for the  
13 land, one of which was discussed here today. As you may be  
14 aware, the land falls directly and entirely within the  
15 bounds of Menlo Park.

16           At our August 14th meeting, a motion was passed  
17 to assign a committee to draft a statement of our position  
18 on the future use of the property. The position will be  
19 read by the Menlo Park neighborhood during our meeting  
20 coming up this September 11th.

21           I'd like to take a moment to summarize the  
22 discussion that led to the motion and the bullet points that  
23 the committee is asked to incorporate into the final draft  
24 of its statement.

25           Since the inception of Rio Nuevo, the land to be

1 developed has been called the Sonoran Desert Park and it is  
2 located in the heart of Tucson's birthplace. It is not  
3 simply a lot to be developed. The park lies within --  
4 entirely within the boundaries of Menlo Park neighborhood  
5 and provides our neighborhood and all Tucson residents with  
6 a small remnant of precious open space within an  
7 increasingly urbanized setting.

8           Today, this is the only area in the central  
9 Tucson basin where saguaros meet the riparian zone of the  
10 Santa Cruz River. It, therefore, provides a significant and  
11 direct wildlife corridor from the Santa Cruz River to the  
12 Tucson Mountains all the way to Avra Valley. This area has  
13 had frequent sightings of a wide variety of native wildlife.  
14 This alone makes the area deserving of preservation as open  
15 space.

16           As such, we support the maintenance and future  
17 embellishment and the revegetation of this rare and  
18 significant open space. In no other city in this country is  
19 there a similar open space natural area and nature park  
20 within a major urban center. As such, the park would  
21 provide an appealing, unique and easily accessible  
22 attraction for tourists from throughout the United States  
23 and from other countries.

24           The park will provide a nature amenity for Tucson  
25 residents important to all who are unable to venture outside

1 of the city to engage with our unique desert environment.  
2 The park will provide walking paths, equestrian trails,  
3 identification of our unique native vegetation, mountain  
4 bike recreation areas and facilities for picnics and  
5 gatherings with ramadas and shade.

6 The Menlo Park Neighborhood Association wishes to  
7 go on record in opposition to any use of the area under  
8 discussion for urban commercial development and the -- and  
9 the number of parking spaces that it would take to  
10 accommodate 2,500 people. I would encourage all of us to  
11 work together to make Sonoran Desert Park Tucson's own  
12 central park in downtown Tucson.

13 Thank you very much.

14 CHAIRMAN McCUSKER: Gene, thank you.

15 And then last, Kathryn Baxla.

16 (No oral response)

17 CHAIRMAN McCUSKER: Okay. So that's it for the  
18 call to the audience.

19 Do I have a motion to adjourn?

20 (Motion to adjourn made, seconded and carried unanimously)  
21 (3:04 p.m.)

22

23

24

25

1 I, Thomas A. Woppert, certify that I took the  
2 shorthand notes in the foregoing matter; that the same was  
3 transcribed under my direction; that the preceding pages of  
4 typewritten matter are a true, accurate, and complete  
5 transcript of all the matters adduced to the best of my  
6 skill and ability.

7 Dated at Tucson, Arizona, this 10th day of  
8 September 2014.

9  
10  
11 \_\_\_\_\_  
12 Thomas A. Woppert, RPR  
13 AZ CCR No. 50476  
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