

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona
October 1, 2014
1:00 p.m.

REPORTED BY:

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1 (Meeting commenced at 1:14 p.m.)

2 CHAIRMAN McCUSKER: Okay. We're going to call the
3 meeting to order.

4 It's 1:14 by the official Rio Nuevo clock.

5 We probably should have had a sign out there:

6 Your Rio Nuevo dollars to work. This remodeling is all the
7 result of the Rio Nuevo Arena remodel.

8 Restrooms, Michele, how does that work?

9 MS. BETTINI: These are offline over here. If you
10 follow the signs, go to the elevator, and you're actually
11 using the dressing rooms down on the bottom floor.

12 CHAIRMAN McCUSKER: All right. So if you need to
13 go to the restroom, these are offline. Go to the stairs or
14 the elevator to the mez level. There will be restrooms
15 there.

16 So, Chris, you want to lead the pledge? It's
17 backwards; pledge is first.

18 MR. COLLINS: All right.

19 (Pledge of Allegiance recited.)

20 CHAIRMAN McCUSKER: Now, Michele, you can call the
21 roll.

22 MS. BETTINI: Cody Ritchie?

23 MR. RITCHIE: Here.

24 MS. BETTINI: Mark Irvin?

25 SECRETARY IRVIN: Here.

1 MS. BETTINI: Fletcher McCusker?

2 CHAIRMAN McCUSKER: Here.

3 MS. BETTINI: Chris Sheafe?

4 TREASURER SHEAFE: Here.

5 MS. BETTINI: Alberto Moore?

6 MR. MOORE: Here.

7 MS. BETTINI: Jannie Cox will be on the phone
8 later. And Jeff Hill is on his way.

9 CHAIRMAN McCUSKER: Okay. So we have a quorum.
10 You have the transcripts from the August 26th meeting. They
11 are verbatim.

12 Any questions, comments, edits, or changes in
13 that?

14 TREASURER SHEAFE: Move for approval.

15 SECRETARY IRVIN: Second.

16 CHAIRMAN McCUSKER: All in favor, say aye.

17 (Ayes.)

18 (The Board voted and the motion
19 carried.)

20 CHAIRMAN McCUSKER: All right. We have an
21 Executive Session scheduled. We need a motion to recess and
22 move to Executive Session.

23 TREASURER SHEAFE: So moved.

24 CHAIRMAN McCUSKER: One of you second it, please.

25 SECRETARY IRVIN: I'll second it.

1 CHAIRMAN McCUSKER: All right. All in favor, say
2 aye.

3 (Ayes.)

4 CHAIRMAN McCUSKER: Okay. We'll be back here in
5 45 or 50 minutes.

6 (The Board adjourned to Executive
7 Session at 1:16 p.m.)

8

9 (Meeting reconvened at 2:00 p.m.)

10 CHAIRMAN McCUSKER: Okay. We need a motion to
11 reconvene.

12 SECRETARY IRVIN: So moved.

13 CHAIRMAN McCUSKER: Second, please?

14 MR. MOORE: Second.

15 CHAIRMAN McCUSKER: All in favor, say aye.

16 (Ayes.)

17 CHAIRMAN McCUSKER: Jannie Cox is on the phone.
18 Mr. Hill has arrived as well.

19 Thank you, everyone. Good afternoon. You can see
20 we have a full agenda. We are going to try and move through
21 things pretty quickly.

22 It's an exciting time for us. I told the staff on
23 the way in we should have had a sign out front that said:
24 Your Rio Nuevo dollars at work. Because this construction
25 that you're walking around is part of the Rio Nuevo

1 commitment to renovate the TCC Arena.

2 So it's actually quite spectacular. It's still a
3 hard-hat area or we'd let you peek in there. But the new
4 seats are in. And new sound system is in. The bathroom
5 remodel is done. And the concession areas are done for the
6 most part. They're working on the breezeways. I think we
7 have some photos later of some of the improvements.

8 We're probably a couple months away from actually
9 being finished with the Arena remodel and actually on
10 budget. So we're on schedule and on budget. We have
11 committed to a grand opening of the new Arena January 3.
12 The Beach Boys have committed to help us celebrate that.

13 We have a number of other people now cosponsoring
14 that event with us, which includes SMG, the new private
15 management for the Arena. Concord Construction is also
16 contributing to that. And we just heard today that K-HIT
17 radio will cosponsor that event with us too. So our hope
18 is -- it's a \$25 ticket. I can't -- I don't know how many
19 of you go to concerts. But I can't remember the last time
20 you could see a Hall of Fame band for 25 bucks.

21 But we're seeing a lot of corporations buy ticket
22 blocks and then donating them to charitable organizations.
23 Concord, in fact, bought a 400-ticket block the other day.
24 And they're distributing those to charity. So it's really
25 been an extraordinary event and a chance to really showcase

1 the Arena.

2 With SMG's help, we're inviting a lot of important
3 people to that show so that they can see the new Arena in
4 concert mode. So we hope to be able to invite booking
5 agents, talent managers, talent agents, promoters to come
6 see the new Arena in our -- with our best foot forward.

7 So on today's agenda we're going to give you an
8 update on that. We're going to talk about the Fox Theatre,
9 which is a Rio-Nuevo-owned property, talk to our friends
10 from the January 8th memorial. We are now in a position to
11 fund the streetscape proposal from the City settlement. We
12 have a proposal on that as well.

13 So without further ado, Dan, you want to give us
14 your financial update?

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

17 Our current cash position, we've got \$5.7 million
18 in our Alliance Bank operating account. We've got about
19 \$5 million in another account at Alliance. \$285,000 at Bank
20 of Tucson. And the funds that the City of Tucson is holding
21 for us at this point in time is 1,090,000. Those funds are
22 being used to pay for the improvements to the TCC Arena at
23 this point in time.

24 As far as commitments, we've got about
25 \$5.4 million of commitments. Fletcher mentioned a few of

1 those a few minutes ago. The biggest one is the remaining
2 for the Tucson Community Center, which is about \$3.5 million
3 remaining to be paid on that one.

4 A couple points of interest. We've got the TIF
5 revenue for July. I was just alerted to what that was going
6 to be: \$1.3 million. We'll be getting that any day. The
7 TIF revenue for June came in, in September. That's 800,000.
8 So again, you can see the big disparities from month to
9 month and the challenges we have with budgeting for the --
10 over the year of what our income's going to be. But it's
11 pretty much on schedule of what we're anticipating at this
12 point in time.

13 We've got \$4 million once the July one hits here
14 in a couple days for the first four months of this fiscal
15 year that we physically received. We budgeted \$825,000 a
16 month. So thus far, we're ahead of our budget. But if you
17 look at the history, this is when the TIF revenue starts
18 decreasing. So, you know, it would be nice to have access
19 to the records so that we can kind of get some idea of what
20 these TIF revenues, on a monthly basis, consist of.

21 CHAIRMAN McCUSKER: Mark whispered in my ear. I
22 think we've talked about this. Is why we don't show the AC
23 Hotel commitment; is that because it's not a current
24 obligation?

25 MR. MEYERS: Yes, right.

1 CHAIRMAN McCUSKER: Just maybe put a footnote or
2 something there so that we remember we do have a
3 \$4.2 million dollar commitment to --

4 SECRETARY IRVIN: 4.3.

5 CHAIRMAN McCUSKER: Or 4.3 million.

6 MR. MEYERS: Sure. Yeah, we -- I can certainly
7 add that to next month's report.

8 Does anybody have any questions or other comments?

9 CHAIRMAN McCUSKER: So if we did -- now, we'll
10 have -- obviously that's not due for a couple years, right?

11 SECRETARY IRVIN: Couple years.

12 MR. MOORE: So we should hope to have enough TIF
13 profits to cover that in the meantime. So without that,
14 we've got roughly 5-and-a-half million dollars.

15 SECRETARY IRVIN: We can probably also footnote
16 that to reflect the earnest money deposit.

17 MR. MEYERS: In essence, I think that all occurred
18 in September. So the September report will be in our next
19 meeting, which I believe is the 17th.

20 CHAIRMAN McCUSKER: So to be conservative in terms
21 of looking at other projects or anything we would want to
22 develop ourselves, we've got about 7 million bucks in the
23 bank.

24 MR. MEYERS: Right.

25 And one other note. We got a draft of the audit.

1 I've got it in my hands. I've started reviewing it and
2 making sure the numbers match up. And I'll read through all
3 the footnotes. And we should have that pretty much looked
4 at by the end of the week.

5 And then we've got a couple more confirmations
6 that need to go out. Should have that resolved, I assume,
7 by the next Board meeting and have it presented.

8 CHAIRMAN McCUSKER: Any questions for Dan?

9 Thank you very much.

10 Elaine, give us our TCC update.

11 MS. BECHERER: Good afternoon. Can everybody hear
12 me okay?

13 CHAIRMAN McCUSKER: No.

14 MS. BECHERER: No. Okay. So I will sit down,
15 then.

16 How about now?

17 CHAIRMAN McCUSKER: Better.

18 MS. BECHERER: Good afternoon. Elaine Becherer.
19 Rio Nuevo TCC Arena project manager.

20 I have four items that I want to update you on
21 today. And, first, I'd like to start with the owners report
22 that I passed out to you. And I'd like to share the photos
23 with the audience as well.

24 As the project was introduced by
25 Chairman McCusker, not only are the 4900 seats complete, but

1 all of the restrooms except for the administration restrooms
2 are complete. And we will be punching those later in the
3 week.

4 All of the concessions stands will be up and
5 running for Disney on Ice, which is next week, except for
6 the breezeway. So construction is on schedule. And we are
7 within budget, which is a great project win.

8 We are also working towards installing the mural
9 in the breezeway. We're going to talk about the breezeway
10 floor momentarily as well as the escalator lobby
11 renovations. And so the project is -- there's a lot going
12 on. And every day something changes. One of our big rocks
13 that we're working through right now is we have Disney on
14 Ice next week. And so we're trying to make sure that we're
15 ready for that. So with that, I'll just go through some of
16 these photographs.

17 So this is a photograph of the concession stand on
18 the concourse level at the east end. It is a full
19 renovation, a new soffit that goes up to the ceiling, all
20 new lights, a complete new ceiling, new guard at the
21 concession. The video boards are not up yet but -- they
22 were not up when this photograph was taken, but they are up
23 now. We'll have digital signage, illuminated signage. So
24 it's a complete renovation.

25 This is one of the lower level concession stands.

1 Now we have video boards on the back wall, all new Corian
2 countertops. All of the concession stands are ADA
3 accessible for not only the user but as well as the staff.
4 So we fixed the countertops. We fixed plumbing. We fixed
5 the push and pull on the doors. They are fully compliant.

6 This is the lower level corridor that runs
7 north-south. And so previously what was there was the baby
8 blue painted plywood. And, you know, we now have lights.
9 We'll also have some furniture to allow people to linger.
10 This is right across from the concession stand.

11 This is one of the newly renovated restrooms.
12 This is the women's, actually. So all new plumbing
13 fixtures. Everything is new except for the walls. But
14 everything's been painted. New partitions, new lights.

15 Right here, these are the original escalator
16 lobby -- these are the original escalator treads that we
17 used to infill the cavity in the masonry wall. And now we
18 have these really great blue LED lights that accent the
19 space.

20 This is a photograph of the south wall. So you
21 can see some of the accent colors are going in, the studs
22 for the acoustic panels that are being put up. And then, in
23 the center, that's where the new video board that was
24 discussed at last month's meeting will be installed. The
25 existing video board that is hanging currently, that will go

1 away.

2 An overall photograph of the Arena. In the center
3 here, you can see the new sound cluster that was mentioned.
4 And you can see some of the new seats as well.

5 This is a little dark photograph, but this is the
6 mezzanine level with some new acoustic panels and lighting
7 as well as the -- another view of the mezzanine level.

8 And then this is the new breezeway. So even
9 though the photograph for the audience is a little dark, I
10 think, in the printed material, you can clearly see the
11 renovation and how it's taking shape, that it's a completely
12 different look and feel for the space.

13 It's a new ceiling. We're reusing the existing
14 skylights. And it's not done yet so it's gonna look even
15 better in a couple months.

16 This is an earlier photograph of the breezeway.
17 New soffits at the entry. Those are the new glass doors
18 going into the arena. And then this is just work by
19 progress.

20 So in addition to working towards Disney on Ice,
21 we're also working with the new private management company,
22 SMG, and helping them to coordinate and help with the
23 transition as they move in.

24 So the next item that I presented in front of you
25 is a copy of a change order that I'd like to talk through.

1 So the previous change order that I brought to the
2 board was for the epoxy on the restroom floors. And that
3 was greater than \$25,000. So the change order in front of
4 you is comprised of four specific items.

5 One, is for the breezeway floors. So the same
6 application that we did in the restrooms. It is the design
7 team and my recommendation to the board that we also apply
8 that application to the breezeway floor that we're spending,
9 you know, money to renovate and really look different.
10 Well, we also need to do something and address the existing
11 concrete. So that's the 61,000.

12 The second item is for the site signage. So the
13 site signage entails a full campus renovation to all of the
14 existing parking signage, as well as the two new monument
15 signs. And the project went through two iterations to value
16 engineer the overall signage package. And basically what it
17 entailed is that our original estimate for site signage was
18 just low. And so we needed this additional money to
19 complete the site signage. And so that is the 153,000.

20 The automatic door openers, 36,000.

21 As a part of the renovation to the breezeway,
22 we're getting all new doors into the Arena and into the
23 breezeway. Those will have panic and automatic door
24 openers. But the existing doors that are exiting from the
25 Arena on the east and west side, we are not replacing those

1 doors. But we would like to replace the automatic door
2 openers. And that is what the \$36,000 is.

3 And then, the fourth item is the asbestos
4 abatement for the escalator lobby. So we always had
5 included the escalator lobby as a part of our renovations.
6 And we always knew that we'd have to address the asbestos.
7 And now we have the cost associated with the abatement.

8 So those would all equal the 301,000.

9 On the --

10 CHAIRMAN McCUSKER: You should mention that that's
11 coming from the contingency fund.

12 MS. BECHERER: That is. That is coming from the
13 owners' contingency fund. So on the project tracking sheet
14 that I also passed out, it reflects, to date, that the
15 owners' contingency has \$425,000.

16 There have also been some miscellaneous change
17 orders that were less than 25,000. So those, in addition to
18 the 301,000, there is plenty of owners' contingency to
19 address these four items.

20 But prior to me moving forward, I need the Board's
21 approval. And so that's what I'm here presenting to you
22 today and asking -- and this is my recommendation, these
23 four items.

24 CHAIRMAN McCUSKER: A couple of them are nice to
25 have. A couple of them we really have to address.

1 MS. BECHERER: Yes.

2 CHAIRMAN McCUSKER: Like the asbestos, the panic
3 hardware, that's probably -- signage. I mean, if we didn't
4 approve things, we'd have to go back and redress.

5 MS. BECHERER: If we didn't do the signage, we
6 would have to take a look at the overall scope of the site
7 package, and we would have to remove signs from the sign
8 package as well as consider, you know, deleting the monument
9 signs.

10 CHAIRMAN McCUSKER: We might want to talk about
11 the monument signs because I don't know that everyone's
12 aware. For the first time, we'll have signs on Church and
13 Granada that actually are electronic digital signs that tell
14 you what's happening in this arena. Right now, you drive by
15 and you don't have a clue what's going on here or what's
16 coming up here. So we saw that as an important aspect.

17 And we didn't include it in the initial budget.
18 But as we've been able to keep or contingency, we think it's
19 an important addition. It will require a variance. So we
20 still have to go before the sign commission because it's
21 larger than zoning would normally allow. But we think it's
22 an important piece of how people access the TCC and see
23 what's going on in the future.

24 MS. BECHERER: So the 150 for the site signage
25 includes those two monument signs. And they would have the

1 capability to have a video board that faces the north and
2 the south.

3 And I have reached out to all of the adjacent
4 neighbors and stakeholders to ask for their support for
5 those monument signs. And as of right now, no one is
6 opposing the monument signs, which is great.

7 So Visit Tucson, Merchants Council, the Office of
8 Economic Initiatives with the City of Tucson, as well as Rio
9 Nuevo, we've received letters of support from those four
10 entities for the monument signs.

11 (Telephone ringing.)

12 SECRETARY IRVIN: Did we also get one from MOCA?

13 MS. BECHERER: We have not yet received one from
14 MOCA.

15 MS. COX: I'm here. I don't know happened.

16 MR. MOORE: All right. We can watch the lights.
17 If we lose you, we'll call you back.

18 MS. COX: Thank you.

19 MR. RITCHIE: Can I make a motion?

20 CHAIRMAN McCUSKER: Please.

21 MR. RITCHIE: I make a motion to approve the
22 change order.

23 MR. COLLINS: Mr. Chairman, Members of the Board,
24 I'm sorry to interrupt but change orders are not agendized
25 today. I was unaware of the change order component. What

1 you have agendized today is the amendment to the IGA and
2 amending the contract with Concord.

3 MS. BECHERER: Which is something different.
4 Right.

5 MR. COLLINS: Right.

6 I'm . . . so.

7 TREASURER SHEAFE: You know, we approved the
8 original budget. And in the original budget, we had the
9 potential of the overage which was budgeted in. So this is
10 not a new item.

11 CHAIRMAN McCUSKER: But our code specifically
12 requires anything over \$25,000 to have Board approval. And
13 that's not property agendized. We can't take it up.

14 MR. COLLINS: You can do it on the 17th. We can
15 have it on the 17th. But open meeting law requires that we
16 have it on the agenda. And it's not there.

17 And I apologize to you, Elaine. I thought that
18 was being worked out.

19 MS. BECHERER: I will be here on the 17th.

20 CHAIRMAN McCUSKER: So in your update, you've
21 advised us there's a change order coming.

22 MS. BECHERER: Yes, sir.

23 CHAIRMAN McCUSKER: Thank you for that.

24 MS. BECHERER: So the next item -- well, before I
25 introduce Craig with SMG, I would like to note that, as you

1 see on your agenda, there's a couple items coming up that
2 relate to the kitchen at the TCC and those renovations and
3 the change order that Mr. Collins mentioned.

4 Myself and Ron Lewis with general services, we are
5 both here to answer any questions that you may have
6 regarding the scope of work related to the kitchen
7 renovation as well as the City funds that are being used
8 to --

9 CHAIRMAN McCUSKER: So let's hold on that item.

10 MS. BECHERER: Yes.

11 CHAIRMAN McCUSKER: Let's introduce our new
12 management.

13 MS. BECHERER: Yes. So my last item is that I
14 just wanted to introduce --

15 CHAIRMAN McCUSKER: And, Elaine, with them -- if
16 any of the Rio Nuevo Board members have any questions of
17 Elaine and our SMG regarding the status, that is -- it's an
18 update, Mark -- that's all agendized.

19 MR. COLLINS: Yeah. That's fine.

20 MS. BECHERER: So with that, I'd like to introduce
21 Mr. Craig Liston. He is the regional vice president with
22 SMG.

23 And, Craig.

24 MR. LISTON: Thanks, Elaine.

25 I'm Craig. This is Lewis Dawley who you'll hear

1 from in a minute. I've been managing the transition for
2 SMG.

3 First, I'd like to thank this Board for their
4 support. This is day one of our management contract with
5 the City. And we've got a lot of work to do. A lot of it's
6 related to staffing because a lot of the staff that we're
7 working here at the facility have taken other positions with
8 the City.

9 But we've got our recruitment efforts going.
10 We've got some staff positions to be filled. And the ones
11 that are currently vacant, we'll be bringing in people from
12 some of our other operations to pinch hit while we get
13 through some of the upcoming events.

14 But thank you for the opportunity. Looking
15 forward to working with you.

16 CHAIRMAN McCUSKER: Tell us a little bit about
17 SMG. We didn't participate in the procurement. So who are
18 you and what else do you manage?

19 MR. LISTON: Certainly.

20 Well, SMG is the largest private facility
21 management company in the world. Some of our accounts that
22 you're probably familiar with would be the New Orleans
23 Superdome, Soldier Field in Chicago, McCormick Place in
24 Chicago, Moscone Center in San Francisco.

25 It's -- I think our roster now is over 230

1 facilities around the world, all of them conventions,
2 stadiums, theaters, arenas. So this operation here in
3 Tucson, with all the various components, is right in our
4 sweet spot. So it's something we do on a daily basis in
5 other markets and looking forward to getting started here.

6 Is that enough, Mr. Chairman, or would you like
7 more background?

8 CHAIRMAN McCUSKER: Standby in case there's a
9 question.

10 MR. LISTON: Certainly.

11 MR. DAWLEY: As you heard, I'm Lewis Dawley. And
12 actually we're starting. We're not just starting; we're on
13 our way here.

14 I've been with SMG for a number of years. I've
15 been in this industry for almost 40 years. A big part of my
16 career was building and opening facilities. And the last
17 one I did before I joined SMG was the convention center in
18 Washington, D.C. which was an \$800 million project. And I
19 was the CEO and general manager there.

20 So I have done a lot of things with SMG. A very
21 great organization. SMG's a great organization. It's a guy
22 like me who does a little bit of everything. So I'm really
23 excited about being here. I'm going to lead us through this
24 transition and get this facility into what I consider to be
25 a world-class facility. Hope to get to done very quickly.

1 I do live here. I guess it was a good idea 12
2 years ago, my wife and I bought a home here, never lived in
3 it. So it's wonderful to be home. And also, I have to tell
4 you, I'm very excited about having an opportunity to do
5 something in this community. We love it here. All my kids
6 are in Arizona. Obviously we didn't start out here. I've
7 worked all over the United States, north, east, south, and
8 west. But it's great to be home.

9 Very excited about this facility. We're going to
10 do some things here that you're going to be proud to say
11 that you had something to do with making this facility world
12 class.

13 And again, as Craig said, thank you for all your
14 support. Always willing to listen. If you have some
15 suggestions, ideas, you know, I'm all about making it
16 better. So please feel free to do that.

17 And I'm looking forward to working with all of you
18 and getting to know you over the next months.

19 Thanks.

20 CHAIRMAN McCUSKER: Any questions for new
21 management or Elaine regarding the status of the remodel?

22 MR. RITCHIE: No questions. But best of luck to
23 you guys. Welcome.

24 MR. DAWLEY: Thank you.

25 MR. LISTON: Appreciate it.

1 CHAIRMAN McCUSKER: And we're grateful for your
2 support on the grand opening too. It's going to make a
3 measurable difference. Thanks. Good luck.

4 MR. LISTON: Thank you.

5 CHAIRMAN McCUSKER: That's a good segue to the
6 kitchen. In part of the City's effort to continue to
7 upgrade this facility, the City would like to renovate and
8 remodel the main kitchen next to the catering kitchen.

9 Specifically, the request of the City is to be
10 able to tag along on our contract on the Arena and actually
11 add that scope of work as a change order to our existing
12 relationship.

13 So it's a way we can help expedite the process.
14 And my understanding -- right, Elaine, Ron? -- is that the
15 funds are all City proceeds. So this is basically just a
16 partnership, if you will, between Rio Nuevo and the City to
17 get the upgrades done to the kitchen.

18 MS. BECHERER: That is correct.

19 CHAIRMAN McCUSKER: So, Mark, do you want to
20 explain legally what's in front of us?

21 MR. COLLINS: Well, it's not a lot to explain
22 legally. As the Board may remember, the District and the
23 City have an IGA for this renovation. That IGA contemplates
24 two GMPs, or gross maximum prices, as does the contract with
25 the contractor.

1 What -- the proposal that's being made to you
2 today is to amend GMP No. 2. GMP No. 2 is the City's
3 obligation. Elaine can go through that some more. But I've
4 reviewed the amendment that's been prepared by Mr. Lewis on
5 behalf of the City. My partner Mr. Schmaltz has. We're
6 fine with it. All it does is amend the City's obligations
7 under the IGA.

8 So Agenda Item No. 8 is to amend that IGA.

9 MS. BECHERER: If the Board would like a review of
10 what GMP 2 is, I would happy to explain is that.

11 SECRETARY IRVIN: You mean, as far as the scope of
12 the work?

13 MS. BECHERER: Yes.

14 SECRETARY IRVIN: I think it would be great for
15 the Board to hear.

16 MS. BECHERER: So GMP 2 exists all of the new
17 plumbing fixtures that the City provided -- or found funding
18 for, in addition to the duct insulation of all of the HVAC
19 ducts going into the Arena.

20 So that consisted of a GMP 2 of \$544,000. So this
21 \$250,000 would be an addition to that 544, which would all
22 be City funds but Concord, our existing general contractor,
23 they would be conducting that work.

24 I think in terms of the schedule and the
25 coordination with the Arena Project, it should be noted that

1 the kitchen work will not begin until the middle to late
2 December. And the kitchen renovation will be complete prior
3 to the Gem Show.

4 And it's my goal and focus that Concord, first,
5 needs to stay focused on the completion of the Arena. That
6 is the our first goal, which they know that. And then we
7 will transition into the kitchen.

8 CHAIRMAN McCUSKER: Thank you.

9 Mr. Lewis?

10 MR. LEWIS: If I could add, the -- Elaine
11 mentioned \$250,000. The amendment to the IGA is for 300,000
12 with an allowance of 50,000 for contingency. These are
13 repairs to an existing kitchen that's in pretty bad shape.
14 And we expect there will be change orders needed for it so
15 we have 50,000 in contingency and for 300,000 total.

16 CHAIRMAN McCUSKER: Thank you.

17 We would need a motion to approve the amended IGA.

18 SECRETARY IRVIN: So moved.

19 TREASURER SHEAFE: Second.

20 CHAIRMAN McCUSKER: All in favor, say aye.

21 (Ayes.)

22 CHAIRMAN McCUSKER: Any opposed?

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

25 CHAIRMAN McCUSKER: Okay. Let's go remodel a

1 kitchen.

2 MS. BECHERER: Thank you very much.

3 CHAIRMAN McCUSKER: Thank you, Elaine.

4 Ron, thank you very much.

5 Mr. Collins, just a quick update for us on
6 Item 10. At the last meeting we talked about our
7 commitments to the Mission Garden, vis-a-vis the settlement
8 from the City. They presented us a draft budget. Included
9 in that budget were some soft costs, which we were uncertain
10 about. And you've done some research since then. So what
11 is your recommendation regarding the operating costs?

12 MR. COLLINS: Well, my recommendation regarding
13 operating costs is that the District ought not to be funding
14 operating costs but rather, to the extent that it's going to
15 fulfill it's obligation under the settlement agreement, it
16 ought to be -- for lack of a better term -- bricks and
17 mortar.

18 Mr. Chairman, I don't know that it was your intent
19 to skip over Item No. 9, Agenda Item No. 9, because a
20 necessary adjunct to amending the IGA is to amend the
21 contract, the construction contract, to track that.

22 CHAIRMAN McCUSKER: That would require two
23 separate motions?

24 MR. COLLINS: It would.

25 CHAIRMAN McCUSKER: We couldn't capture it with

1 the one motion?

2 MR. COLLINS: No.

3 CHAIRMAN McCUSKER: All right. So let's back up
4 while you're there. And we would need to amend the CM at
5 Risk contract to include the additional scope.

6 SECRETARY IRVIN: So moved.

7 TREASURER SHEAFE: Second.

8 MR. MOORE: A motion and second.

9 All in favor, say aye.

10 (Ayes.)

11 CHAIRMAN McCUSKER: Any opposed?

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

14 CHAIRMAN McCUSKER: Thank you for that.

15 Are you in communication with the Mission Garden
16 folks --

17 MR. COLLINS: Yes.

18 CHAIRMAN McCUSKER: -- and their attorney?

19 MR. COLLINS: Yes.

20 I'm meeting with Phil Hall of Friends of Tucson's
21 Birthplace tomorrow. I provided him with a draft of the --
22 of my thinking of how the agreement can go forward.

23 To refresh everyone's recollection, at the last
24 meeting, Treasurer Sheafe made the motion that the District
25 expends \$300,000 of the 1.1 million that they agreed to

1 spend on the Mission Gardens area. That 300 can be spent
2 only on infrastructure.

3 There is, in place already, an agreement among the
4 City, the County, and Friends of Tucson's Birthplace.
5 Rather than reinvent the wheel, it's been my proposal that
6 we piggyback or amend that so that we can make sure that the
7 \$300,000 that is expended is in accordance with the
8 appropriate procurement codes and so forth.

9 So does that answer your question, Mr. Chairman?

10 CHAIRMAN McCUSKER: Yeah. I take it we will see
11 that as a future agenda item.

12 MR. COLLINS: You will, in fact.

13 CHAIRMAN McCUSKER: Okay. Item 11, the Fox
14 Theatre.

15 And, Bill, come on up.

16 Let me give some background as to this agenda
17 item. I've been able to sit on both sides of this issue as
18 a -- actually the former chairman of the Fox Theatre. And
19 it was incomprehensible to me the complexity of the
20 transaction that involved the National Historic Trust.

21 But what happened back in 2006, is that in
22 exchange for about \$3-and-a-half million of historical
23 preservation bonds, the Rio Nuevo District leased, to the
24 National Trust for Historic Preservation our cherished Fox
25 Theatre, for 50 years, for a dollar.

1 So the tenant, which we all assume is the Fox
2 Foundation, is, in fact, not the Fox Foundation. It's the
3 National Trust for Historic Preservation. They sublease to
4 the Fox. The Fox pays a significant dividend every year,
5 out of their revenue, to the National Trust.

6 In those documents, after research by us and
7 counsel, there is a window of opportunity for us to take the
8 Trust out of their tenancy position. And we're specifically
9 discussing that agenda item today.

10 But in order to do that, we wanted you guys to
11 give us an update, generally, on -- and the public, who I
12 think is very interested in your theater -- how the Fox is
13 doing, how you're doing financially. Is there an advantage
14 to you initially to taking out the Trust? And then, allow
15 us to kind of discuss where we would go from here.

16 So I think you've provided us with an update. Is
17 this also a PowerPoint?

18 MR. SUMBERG: Yes.

19 CHAIRMAN McCUSKER: Are you going to go through it
20 for the audience?

21 MR. SUMBERG: No. But I do have copies here if
22 you'd like a copy.

23 MR. MOORE: So the presentation you're going to go
24 through, there are copies up here providing the audience
25 wants one.

1 MR. SUMBERG: Yes.

2 CHAIRMAN McCUSKER: And introduce yourself for the
3 record.

4 MR. SUMBERG: Sure.

5 Craig Sumberg, director of the Fox Tucson Theatre
6 Foundation.

7 MR. HOLMES: And Bill Holmes, board chair for the
8 Fox Theatre Foundation.

9 MR. SUMBERG: So I'm just gonna run through the
10 sheets and give you a sense of how things are going at the
11 Fox. I think you have some sense reading the newspaper and
12 from the community at large that things are better at the --
13 at the theater.

14 The first slide shows you annual growth in
15 attendees from 2010 to 2013. Basically at a 10,000-a-year
16 clip. Not all of these are paid tickets. A number of these
17 are free shows. For example, the Sunday Evening Forum this
18 weekend with Linda Ronstadt. A free show, we'll have a
19 thousand, 1100 people in the building. So those numbers
20 count, these numbers. But just a general sense that the
21 building is busier. We're providing that community service
22 and kind of energizing our end of downtown.

23 The next one is earned income. This is
24 specific -- strictly ticket sales, concessions, things we
25 earn at the building. From 2010, \$491,000 up to a

1 million-eight-thirty in 2013. The budgeted number for 2014,
2 which we're more or less on track to make, is a flat
3 2 million. So we are increasing on that.

4 Obviously our expenses have grown as well. But we
5 are -- you'll see in a minute that we are doing well on that
6 front as well.

7 The next slide, if you will, is annual growth in
8 contributions. The year before 2010, I just want to point
9 out, we were at \$63,000. So we've shown a market increase
10 and the ability to raise money for the -- through the
11 foundation for the theater over of the last five years.

12 We were up to 413,000. The goal for this coming
13 year is 528,000. I'm not quite sure we'll get exactly to
14 that number. But we're going to come pretty close.

15 So overall, our budget's gone from about a million
16 dollars to 2-and-a-half million over the last four years.

17 The last slide of this nature shows you an
18 increase or a decrease in cash from operations. So on a
19 cash basis, how are we doing at the theater.

20 In 2010, you see we lost quite a lot of money.
21 2011. a little bit less. 2012, a little bit less than that.
22 2013, on cash basis, actually generated \$6,000 in income
23 which we're very proud of. Obviously we're still in a hole
24 from all those years of losing money. So we're digging out
25 from that hole and have some plans over the next 12 to

1 18 months to get out of that hole and move forward into the
2 future with a very strong financial base.

3 I have here the next two slides are January
4 through July of this year of how we're doing at the theater.
5 The first one is the Foundation which -- the way we divide
6 up the entities of the Fox, there's Foundation and Presents
7 are the two that you'll see here.

8 Foundation raises the money. So we've raised
9 about \$271,000. Expenses of \$172,000 for a total of 99,000.

10 We take out the depreciation and interest on the
11 bonds. That interest is interest that's owed by your bonds.
12 If you take those two numbers out, we've made about \$197,000
13 in the Foundation this year.

14 Next sheet is Presents. So this is what we're
15 earning or losing, if you will, at the on shows and rentals
16 at the theater. Bottom line, a loss of about \$127,000.

17 If you combine that with the adjusted net income
18 from the Foundation, a decent amount of money left for
19 operations at the Fox.

20 So we believe that we have demonstrated, over the
21 last four years, an ability to run that theater
22 successfully, bring people in, run shows, get more rentals
23 in.

24 We feel, overall, things are going very well for us at
25 the theater.

1 CHAIRMAN McCUSKER: We did an economic study that
2 showed what Fox patrons spend outside of the Fox.

3 MR. SUMBERG: Correct. We -- at that time, we
4 were -- the total raised was about 1.8 million at the Fox.
5 That's now up to 2.5. When we were raising -- or earning
6 and raising 1.8 at the Fox, the total was 3.4 million. So
7 about another 1.6 coming into downtown. Now that we're up
8 to 2.5, I would assume -- we will redo that study, but I
9 would assume we're somewhere in the \$2 million of money --

10 CHAIRMAN McCUSKER: This year it was like 30 bucks
11 a patron on the average. And so if you're doing 70,000
12 people, that's about \$2 million.

13 MR. SUMBERG: Yeah. I think that's correct.

14 CHAIRMAN McCUSKER: And we're -- and they -- and
15 they're still paying for parking right? There's no --

16 MR. SUMBERG: Correct.

17 CHAIRMAN McCUSKER: There's no other with
18 attachment to get to the --

19 MR. SUMBERG: We do not have our own parking lot.

20 MR. HOLMES: Nor our own restaurant.

21 MR. SUMBERG: The next page is staff at the Fox.
22 The only position on there unfilled at the moment is our
23 tech and facility manager. We're interviewing for that
24 position this weekend. So we expect to have that filled
25 within a couple of weeks. And that will fill out our

1 staffing for the coming year.

2 The next page is our board of directors, executive
3 committee and the board. We worked hard to build the board
4 over the last couple of years. It's about double what it
5 was the last time we came in to see you. So we feel good
6 about the community support investment in the theater both
7 in terms of dollars and the literal time helping us run the
8 theater.

9 The next few pages are just upcoming shows. I
10 wanted to give you a sense of what's coming at the Fox.
11 October is probably the best month we've had in the last
12 year or two. These are not -- this is not everything coming
13 in October. This is just the things we thought you'd be
14 interested in. There are a lot of events happening. I
15 think 21 events in October. So we feel very hopeful with
16 what's coming down the pike.

17 The next page is everything through November and
18 December.

19 And then, the last page is what's now booked for
20 the spring. I want to point out that a number of these are
21 not our shows. So we have two Rialto shows -- three Rialto
22 shows on here. We have a number of -- you can't really read
23 it too well. But it's the Tucson Jazz Festival is using our
24 venue for a number of shows. UA Presents has number of
25 shows here. So we're thrilled that we can provide the Fox

1 as a rental to the community.

2 We give great deals to nonprofits to do so. We
3 give a very fair deal to the businesses in the community
4 that want to book shows at the Fox. We know it's the crown
5 jewel of downtown. A great performing arts venue. And we
6 want to keep it busy and filled.

7 The next page after that, we're proud to
8 announce -- this is the second time I've announced it
9 publicly -- that our gala performer will be Martin Short.
10 That is on Sunday, November 16th at 7 p.m. There is a VIP
11 dinner beforehand, five o'clock in the County courthouse
12 courtyard. We do consider this the greatest gala in town.
13 I know other people think differently. But it's a lot of
14 fun. And Martin Short's a great performer. So we're
15 thrilled about that.

16 The next page gives you some sense of the
17 sponsorship opportunities for the gala, just so you can see
18 the kind of money we're trying to raise. Jim Click Auto was
19 already in as our title sponsor for the last three years for
20 that show.

21 And then some of the ticket pricing for the gala.
22 And just a general thanks for the support that Rio Nuevo has
23 given us over the years and the rest of the community as
24 well.

25 MR. HOLMES: I would just add, you know, when I

1 was invited to be on the board a number of years ago, you
2 know, I've been a strong supporter of downtown for many,
3 many years. I officed at Wells Fargo for almost ten years.
4 And this organization was beat up left and right, what you
5 did right, what you did wrong.

6 I got to tell you though my reason for joining the
7 board was because this is one of things you did really,
8 really well. The support that you gave individually and as
9 an organization really has propelled us where, I think, we
10 are today.

11 I think Craig's presentation demonstrated we're on
12 the right trajectory. And we've got that hole that we're
13 digging out of. It's going to be a little while. But I
14 believe with the board that we have in place, with the
15 leadership we have in place, and with your ongoing support,
16 we'll get out of that hole in a pretty short order.

17 CHAIRMAN McCUSKER: Talk about the economics with
18 the Trust.

19 MR. SUMBERG: So the Trust, we have both two kinds
20 of tax credits, new market and historic. And they expire
21 together this spring. So we have between now and next --
22 essentially it's a six-month window -- so, you know, summer
23 of next year, between now and then, to exit the relationship
24 with the Trust.

25 In order do so, it's gonna cost us somewhere

1 between a quarter of million and \$300,000. There's -- the
2 number's not exactly clear because you have to tell them
3 that you want to get out, and then there's some tax
4 implications that have to be figured out. But that's the
5 window of the amount that's due. And, you know, once we
6 take them out, then obviously it's better for all of us to
7 be just having ownership here in Tucson.

8 CHAIRMAN McCUSKER: And your annual dividend or
9 obligation to the trust is how much?

10 MR. SUMBERG: 89,000.

11 MS. COX: How much was that?

12 CHAIRMAN McCUSKER: \$89,000 annually, Jannie.

13 MR. SUMBERG: So what we've -- as you can see, we
14 believe we have turned the ship around. The Fox is
15 operating well. We're staffed well. We know what we're
16 doing. We're creating a great brand downtown. But our cash
17 reserves are not sufficient to be able to cover that
18 payment.

19 So we would ask the Rio Nuevo Board to consider
20 helping us with that payment and after which, we'll be able
21 to talk about some kind of getting to pay off the amount
22 that we do owe the Board.

23 TREASURER SHEAFE: So are you offering, then, some
24 kind of incentive for the Board to do that?

25 MR. SUMBERG: Free tickets to any show coming up.

1 TREASURER SHEAFE: No. I'm not talking
2 personally. I'm trying to be serious here. And I don't
3 want to try to negotiate with you.

4 MR. SUMBERG: No problem.

5 TREASURER SHEAFE: But basically, if you read
6 through it -- or think through it, you guys put close to
7 300,000 into the Fox to relieve the Fox of the burden of the
8 Foundation -- or the Trust. All right? So that puts the
9 Fox back in the position of being a tenant of the District,
10 correct?

11 MR. SUMBERG: Yes, correct.

12 TREASURER SHEAFE: All right. It kind of cleans
13 all the complications and put it into the black. And it
14 would help get a simple -- the District and a tenant. The
15 theater is the tenant, and the District's -- in the vain of
16 the District trying to generate the seed capital that we put
17 in and we get back, is that in your thinking? Or you
18 thinking, just give us the money and that will help us far
19 along, and then you'll invest the 300,000 more to ensure the
20 health of the Fox Theatre but don't think about getting the
21 300 back?

22 MR. HOLMES: I think because of the immediate need
23 that we have to hopefully relieve that burden, we couldn't
24 take it to the direction that you're going. And what I'd
25 like to suggest is that, as a board, we sit down and look

1 that and come up with something that would be agreeable to
2 the District.

3 TREASURER SHEAFE: Without jumping ahead of my
4 fellow Board members, one of the issues that we're dealing
5 with, we have lots of people coming to us for money.

6 The problem is that a lot of the money the Rio
7 Nuevo District was going to generate was pretty much bonded
8 out and spent. So we're sitting in a very tight
9 configuration of trying to invest money into things that we
10 can see a return on those dollars back, at least to get the
11 dollars back so we can turn around and invest them with
12 somebody else.

13 MR. SUMBERG: What we --

14 TREASURER SHEAFE: It could be very helpful if you
15 could hit us with a plan that met that goal.

16 MR. SUMBERG: The proposal we came in ready to
17 make -- and I'll just say it -- is we -- because as you
18 hear, things are better. We're raising money. We are
19 operating much more efficiently. And we're bringing in
20 great shows. We still need to dig out from the hole we're
21 in. So in addition to the money we still owe Rio Nuevo, we
22 owe vendors and some other -- you know, there's expenses we
23 need to dig out of.

24 We believe have in mind a campaign that will help
25 us do so. In order to do so and have the confidence we can

1 go to our potential donors in the community and say, invest
2 in the Fox Theatre Foundation again, it's beneficial to us
3 to come up with a deal that we all agree on. And we know
4 what we have to pay you. And, you know, that's turned out
5 over some period of time so that we can operate successfully
6 and build a foundation for the Fox.

7 So in order to do that, we'd like a standstill on
8 the amount of payment -- the payback to the Board. So we
9 don't want to say that you'll pay the 300,000, we'll pay you
10 the 89,000 next year. That won't really help us get where
11 we need to go.

12 TREASURER SHEAFE: That's what I'm asking, is you
13 come to us with a plan. This is me speaking alone. There's
14 a board here and I'm only one voice. If you can give us a
15 plan that works for you -- and it may be a standstill for a
16 while -- then we can look at it like we've got seed capital
17 that we can put out to preserve a very valuable asset --
18 it's probably worth 15 million as a community -- and if we
19 can see how that could regenerate, that helps us set a
20 standard for how we deal with other requests as well.

21 And so it may not be immediate. It may be just a
22 plan that if you put this 300 in, it helps us to this
23 degree, and here's how we can give you back your seed
24 capital so you can go help other people.

25 CHAIRMAN McCUSKER: Mark, what's the timing on the

1 put call?

2 MR. COLLINS: Mr. Chairman, Members of the Board,
3 the put from the Trust can be made on March 20th of next
4 year. You have a window, about a six-month period right
5 now, where there's no requirement for a put.

6 By March 20th of next year, there will be an
7 opportunity for the Trust to make a put. And I believe the
8 number that Craig was talking about to take out the Trust is
9 that -- is that kind of number. That money would be paid to
10 the Trust, which would allow the District and the various
11 Fox entities to collapse, if you will, the rather intricate
12 arrangement that they're currently in.

13 CHAIRMAN McCUSKER: So what Mr. Sheafe is
14 suggesting is you put a plan in front of us. This is what
15 it will cost to take the Trust out; this is what we'll do as
16 the new tenant of the Fox in a direct relationship between
17 Rio Nuevo and the Foundation.

18 MR. SUMBERG: I think that it sounds like it would
19 be completely agreeable to us.

20 CHAIRMAN McCUSKER: We need to do that in short
21 order.

22 MR. HOLMES: We can come back next meeting with a
23 plan. Do you want to --

24 CHAIRMAN McCUSKER: By the 17th?

25 SECRETARY IRVIN: By the 17th?

1 TREASURER SHEAFE: By the 17th?

2 MR. SUMBERG: October?

3 TREASURER SHEAFE: Yeah.

4 MR. SUMBERG: That would be up to...

5 CHAIRMAN McCUSKER: It's two weeks away.

6 MR. SUMBERG: Do you want --

7 TREASURER SHEAFE: It's a morning meeting, by the
8 way.

9 MR. SUMBERG: Do you want us to interact with
10 anybody in the meantime or just kind of come back?

11 TREASURER SHEAFE: You can just come back with a
12 plan.

13 MR. HOLMES: Very well.

14 MR. SUMBERG: Thank you.

15 SECRETARY IRVIN: Just a couple of things.

16 MS. COX: I have a question, too, when you finish.

17 SECRETARY IRVIN: Sure.

18 So just a couple of things that you kind of
19 touched on that give a little concern.

20 Are all the accounts payable current that you guys
21 have?

22 MR. SUMBERG: I will -- current -- I mean, at the
23 moment, we're pretty close. I mean, we're within 60 days on
24 everybody. Over the summer -- the summer's our hardest
25 time -- we get very tight over the summer. So we do fall

1 back. We have less shows. There's less money coming in.
2 So that's just our annual reality.

3 And with the hole that we're in, that's the
4 hardest time. But we believe within 12 to 18 months, we can
5 clear that out. But at the moment, I -- I -- we're as
6 current as the average . . . 60 days.

7 SECRETARY IRVIN: 60 days out.

8 And the second thing is, is any deferred
9 maintenance? Anything that we need to know about in that
10 arena?

11 MR. HOLMES: I think that's all been addressed.

12 MR. SUMBERG: I should point out -- I'm not sure
13 we reported or not -- we did put a -- we resurfaced the roof
14 this summer. We got a grant for that. And it needed a --
15 it needed it. It was -- we had a significant leaks in the
16 roof. So that's -- we haven't had a leak since. And that
17 was a great improvement.

18 The HVAC also blew up this summer. So we had to
19 fix the HVAC. That was under contract and that's been done.

20 So the one project that's still -- that I think
21 you all know about is the ceiling in the main lobby has not
22 yet been repaired -- or repainted. It's a paint job.

23 CHAIRMAN McCUSKER: It's not just paint though.
24 It's a -- it's curated.

25 MR. SUMBERG: It's fancy paint, correct.

1 MR. HOLMES: And we've actually identified a
2 potential donor for that.

3 SECRETARY IRVIN: What's the anticipated cost for
4 that?

5 MR. SUMBERG: It ranges. And that's part of the
6 issue. I mean, it's anywhere between 5 and 25.

7 CHAIRMAN McCUSKER: Okay. So --

8 SECRETARY IRVIN: Jannie had a question.

9 CHAIRMAN McCUSKER: Jannie, you had a question.

10 MS. COX: I have a couple of questions. And I'm
11 having a little trouble hearing so if I missed something,
12 forgive me.

13 But if you have an \$89,000 annual obligation to
14 the Historic Trust and that goes away, would that free up
15 that amount of money to start paying on the loan to Rio
16 Nuevo?

17 MR. SUMBERG: That is the theory, Jannie. Can you
18 hear me?

19 CHAIRMAN McCUSKER: Theoretically, that's exactly
20 right, Jannie. I think they're negotiating.

21 MS. COX: Okay.

22 MR. SUMBERG: But we're negotiating when that
23 would start, Jannie.

24 CHAIRMAN McCUSKER: So what we decided is not to
25 negotiate in a meeting, but have them present --

1 MS. COX: Right.

2 CHAIRMAN McCUSKER: -- present us a plan.

3 But I think that's exactly the way we look at it,
4 is that you're running a break even theater and you can pay
5 \$90,000 to the Trust, there's an opportunity for us to
6 recover that kind of money as a landlord.

7 And whether or not we do it tomorrow, I think
8 you've got some flexibility on the board level. But our
9 objective would be to put -- if you're going to use Rio
10 Nuevo funds to take the Trust out, that we enjoy the land
11 lordship that they currently enjoy. And now you're
12 dealing with us when your air conditioning breaks or you
13 need something else.

14 And they heard us earlier. We're not gonna pay
15 operating costs.

16 So, you know, you've got to manage your own
17 revenue and expenses. But, you know, I think you'd rather
18 have us as a landlord than the National Historic Trust.

19 MR. SUMBERG: At least we know where you work,
20 yes.

21 CHAIRMAN McCUSKER: Yeah.

22 MS. COX: And I have one more question, please,
23 before we dismiss this agenda item.

24 CHAIRMAN McCUSKER: Go ahead.

25 MS. COX: And that is about your fundraising

1 efforts. How active is your board, and what is the status
2 of your fundraising efforts there? Because I know you were
3 very active for a while, but I haven't heard very much
4 lately.

5 CHAIRMAN McCUSKER: That's one of the slides you
6 missed Jannie. Just contributions over the last four years,
7 in 2010, they were 163,000; in 2011, 217; in 2012, 379; in
8 2013, 413.

9 And your contribution budget, Craig, for this
10 year, 2014, is?

11 MR. SUMBERG: 528.

12 CHAIRMAN McCUSKER: 528.

13 So they've gone from 163 to 528.

14 Now, to Jannie's point, how comfortable are you
15 and how active are you in that fundraising?

16 MR. HOLMES: Well, one of the things I want to
17 address for Jannie is, she mentioned what was the board's
18 role.

19 With the board size today, it's one of the largest
20 components of our fundraising. Every board member has a
21 give-or-get component, as a member of the board, of \$4,000.
22 And to date, I would believe a hundred percent of our board
23 has met that or exceeded it.

24 We're now going into our really robust fundraising
25 season with the gala. That's our signature event. And,

1 Jannie, you don't have the PowerPoint in front of you, but
2 it does have a breakdown of our sponsorship levels. And
3 typically we'll sell -- we'll sell every one of those
4 levels. And in number of them, we'll sell multiples.

5 MR. SUMBERG: I want to add one thing. Jannie, I
6 know you mentioned lack of visibility. I do want to say,
7 the one place we've been really successful this year, we're
8 proud of, is sponsorships of shows. We're at -- I think
9 we've had about \$20,000 in sponsorship last year. And we're
10 at something like 70,000 right now. And, easily, the
11 majority of our shows that we've presented have been
12 sponsored this year. So we feel very good about that.

13 CHAIRMAN McCUSKER: You know, I think it's
14 commendable when you look at the revenue increases since I
15 was involved, it's really quite extraordinary.

16 What most people don't appreciate is, if at the
17 Rialto or at the Fox, when you see a sold out show, every
18 seat is filled, you might make \$10,000. So we all assume
19 when we see all these people going in and out of these
20 theaters, that you're just rolling in the money. But most
21 of that money is going to the artists. And it's become very
22 competitive to attract the kind of people that would fill
23 these seats when you've got the casinos and other venues
24 that compete with you for talent.

25 It was a hard lesson for me to learn, is that, you

1 know, a sold out sheet, you know, when you look at \$50
2 tickets, you know, use assume that, oh, man, the guys are
3 just rolling in it. You know, you've got to be sold out to
4 make 10 grand. And then, you know, how many of those do you
5 have to have a year in order to create any kind of reserves.
6 It's a tough business.

7 MR. SUMBERG: Correct.

8 And the other piece of that, even worse, is when
9 we don't sell out. We sell 700 tickets, but the act needed
10 to sell 9 to break even. So even though people in the
11 audience will say, wow, what a great show, which it was,
12 we're in the red.

13 CHAIRMAN McCUSKER: Are you maxed out, do you
14 think, in terms of show dates and . . .

15 MR. SUMBERG: This -- in the fourth quarter, we're
16 pretty maxed out. I mean, we're basically full. But
17 beginning in January, we have space and working hard to book
18 rentals and shows.

19 CHAIRMAN McCUSKER: Any other questions for the
20 Fox?

21 TREASURER SHEAFE: Just a comment. Having been in
22 a similar position, Bill, I want to thank you and hope
23 you'll express thank you to the other members of the board.
24 These are voluntary positions. They take a lot of time.
25 And more importantly, they take a lot of creative energy.

1 And they're not easy positions to fulfill.

2 And I've watched the Fox, from a number of years
3 ago, come through enormous obstacles. Fletcher was very
4 involved in bringing it over the hump to at least an
5 operational opportunity state. And now it's kind of
6 blossoming from there. And that just comes as the result of
7 a lot of personal hard effort and commitment in terms of
8 time and energy.

9 And I just want to say thanks to that group.

10 MR. HOLMES: And I will share your sentiments. I
11 appreciate it very much.

12 CHAIRMAN McCUSKER: Mr. Irvin?

13 SECRETARY IRVIN: Craig, as you know, over four
14 years ago, we met. I had three concerns. And one of them
15 was --

16 MR. SUMBERG: It was a nice lunch.

17 SECRETARY IRVIN: Yeah, it was as nice lunch.

18 You know, one was that you didn't really have much
19 of a board. And the board that you had, you really weren't
20 asking them to do much. And I think you fixed that.

21 The second thing was that there really wasn't the
22 kind of utilization of that treasure in our community that
23 we thought there should be. And you guys have really
24 wrapped that up.

25 And those were probably my two single biggest

1 concerns that I had.

2 The minor one was, I thought you guys had a
3 marginal reputation in the community, especially as related
4 to nonprofit. And I've not heard any of that.

5 So on those three issues that we sat down four
6 years ago -- plus four years ago and talked about, I just
7 want to commend you for taking care of those issues.

8 MR. SUMBERG: Thank you very much.

9 CHAIRMAN McCUSKER: All right. We look forward to
10 your proposal.

11 MR. SUMBERG: Thank you.

12 CHAIRMAN McCUSKER: No. 13, Eckbo. Helen, are
13 you . . .

14 MS. ERICKSON: I didn't realize we would have a --

15 CHAIRMAN McCUSKER: Reintroduce yourself for the
16 record.

17 MS. ERICKSON: Absolutely.

18 I'm Helen Erickson. And I'm representing the
19 community group called TCC Today. And, of course, our
20 mission is the renewal and maintenance of the TCC, the music
21 hall, the Leo Rich Theater and the historic Eckbo landscape.

22 And above all, I'm here today to thank you people.
23 Because the grant that you gave us, the challenge grant, was
24 really the turning point in making this project possible.

25 So if you look at Page 1, on the left side, we

1 have a list of the various donors who helped us here. At
2 the top are the people who gave significant financial
3 contributions. And then, down below -- and it's a partial
4 list of all of the people who provided in-kind donations or
5 gave us advice, help, counsel, services, all this kind of
6 things.

7 CHAIRMAN McCUSKER: Let me pause for a moment to
8 allow our court reporter to take a break.

9 (Pause in the proceedings.)

10 CHAIRMAN McCUSKER: Okay. Helen, pick it right
11 up.

12 MS. ERICKSON: Okay. So I'll try to stay really
13 close to the mic here.

14 On the first page, as I was saying, we have two
15 groups of donors there. The people that have given advice,
16 help, and in-kind objects. And this group is growing daily.
17 And I hope I haven't neglected anyone to offend them in this
18 way.

19 On the top right, you have sort of an indication
20 of where this site is just in case everybody's forgotten and
21 hasn't seen the fence out there.

22 Construction began this past Monday. And our
23 contractor Danny Pena of Rustic Adobe Masonry is doing a
24 fantastic job. He's about two days ahead of schedule right
25 now. And what I particularly like about Danny, he's worked

1 on a lot of historic preservation projects, so he knows how
2 to take out brick and save it carefully for relaying. And
3 we just had a discussion, for example, on how to make
4 concrete match so that we won't have those big white
5 concrete patches that you have at other places there.

6 So on the left side of Page 2, what you have is a
7 picture taken just after this particular little area of the
8 landscape was installed. And down below you have a picture
9 that I took this year. So you can definitely see that it
10 really needs some help.

11 And, as I say, our goal is to restore this little
12 bit of the landscape so that people can see how beautiful it
13 really could be when it's restored.

14 On Page 2, I've sort of done a summary of how this
15 project developed, starting with the historic study and the
16 conservation plan that was supported by the Tucson Historic
17 Preservation Foundation and then how we worked together to
18 choose the site and the fundraising part of it, for which,
19 again, I really thank Rio Nuevo because that was a turning
20 point. And we had the plans reviewed by the Tucson-Pima
21 County Historical Commission, who have to give okay for work
22 that's being done in the historic landscape. And, finally,
23 we made it to construction.

24 So on the next page, again, we see photos on the
25 right of the kind of work that has to be done when you're

1 doing this kind of renovation. In other words, you're
2 taking out materials, cleaning them carefully, storing them
3 carefully, and -- so they can be used.

4 At the bottom is a picture with ten cloned pots
5 out there now. You might not notice that they haven't been
6 there always because they are such great clones. Larry
7 Kornegay of Phoenix, who is a concrete sculptor, did those
8 for us. And they're out on the plaza right now.

9 On the right side of that page you have what I
10 consider to be really one of the important features of the
11 project, are the Silva Cells. Essentially what you have
12 there is a large excavation below the plaza level where you
13 can put in these frames. And the frames permit the roots of
14 the tree to expand and grow. And in that same area, it also
15 retains moisture from any kind of rain event. So, the
16 result is that you actually have healthy, growing trees
17 instead of dead trees.

18 And we're very excited about this. It's a proven
19 technology. Steve Martino has tested it out in Phoenix.
20 But we will be the first city to actually use it in a
21 consistent project like this.

22 Let's see. On Page 4, one of the things that
23 we're doing here is we're documenting everything. Because
24 the hope is that, through this demonstration project, we can
25 coming up with protocols for best practice for future

1 projects. So we know what we're doing, what works, what
2 doesn't work.

3 Again, we're using it for educational purposes.
4 We'll be doing lecture during Modernism Week with a tour to
5 follow at the Leo Rich on October 6th. We're going to be --
6 we have upcoming presentation at the University of Arizona
7 and at MOCA. And we have signage at the demonstration site
8 which should be up on Friday which explains the context of
9 history at the plaza and also what we're trying to do with
10 the demonstration area.

11 Oh, I should mention, by the way, that the signage
12 is bilingual. And we've made an effort to integrate that
13 into our work because we feel that there's so many people
14 coming, visitors from Mexico, not just people who live in
15 Tucson. But we are sort of a capital for two countries
16 here.

17 And, of course, we are doing walking tours. We're
18 going to be doing some after concerts. And we'll also have
19 one, as I say, as part of Modernism Week.

20 So our coalition continues to grow. We have a lot
21 of people involved, for example, the clones of the benches
22 that are following the designs that Eckbo, himself, did.
23 Those are in special collections at the University of
24 Arizona. The materials lab at the College of Architecture,
25 Planning, and Landscape Architecture is going to be making

1 those for us. And we'll continue to update all of this
2 progress, of course, on our website.

3 So final steps here, we have to get the
4 informational signage in; Silva Cells are going in possibly
5 tomorrow, if you want to come look; drip irrigation;
6 planting trees and shrubs, which have been donated by
7 nurseries in the area; reproduction benches I mentioned.
8 We're going to reposition two of the lighting fixtures from
9 less obvious places in the plaza so that you will actually
10 have a vision in this place of what it could look like. The
11 planters will be filled, of course. And then we're going to
12 have a ribbon-cutting celebration and some press coverage,
13 we hope, because it's such an exciting event.

14 The National Register listing, the update is that
15 it has been listed as pending, which means that we hope to
16 hear in a couple weeks, three weeks at the most, that we are
17 actually listed on the National Register. So we're also
18 really excited about that.

19 And, again, I really -- I really thank you all
20 because this was such a turning point.

21 And if we can go ahead now, we're looking for
22 grants for our water studies so we can get the fountains
23 working with appropriate technology and not be water hogs
24 and all this type of thing.

25 I think it's gonna be a real win-win for Tucson.

1 And Carla and I really appreciate it.

2 Thank you.

3 SECRETARY IRVIN: Helen, thanks for your work.

4 I'm very impressed. I think it's going to be a great
5 catalyst. And I was a little skeptical initially. And I
6 can tell you, I'm pretty tickled with what you're doing and
7 I appreciate your vision.

8 MS. ERICKSON: Cool. We are so excited. It's
9 real great to see what's happened.

10 MS. COX: And, Helen, I would like to say that
11 when I first met you and heard about this project in the
12 early plan implementation team meeting, I was immediately
13 impressed with your commitment, your knowledge. And I am
14 really, really pleased to see the success that you've had so
15 far. And I look forward to the rest of it. I can't wait
16 for that ribbon cutting.

17 MS. ERICKSON: Thank you. Elaine is whispering in
18 my ear here. She said, yes, this is definitely leverage for
19 the Pima County bond issue.

20 And we are actually placing that at this point.
21 So we're keeping towards that to make sure that we keep
22 front and center on that. Because that would be our
23 opportunity, really, to go ahead and make a major difference
24 to a larger section of the landscape.

25 CHAIRMAN McCUSKER: Well, you probably, at a

1 minimum, saved a very important historical piece of
2 landscaping. I don't know that anyone in the city or anyone
3 in the community appreciated the significance of these
4 fountains until you guys really engaged.

5 They were -- they've been bastardized over the
6 years. They've been -- there was a proposal one time to
7 backfill them with sand. You know, they've been added to,
8 deleted from. To restore them to their historical accuracy,
9 to do it with the money that you have certainly is quite
10 impressive. So hopefully the County will see the
11 opportunity to continue to engage with you guys to continue
12 the project.

13 MS. ERICKSON: I hope that will happen. I must
14 say that MOCA and Anne-Marie Russell and Emily Yetman did
15 some of the initial work on this. And I think they deserve
16 credit for that too.

17 CHAIRMAN McCUSKER: Good luck.

18 MS. ERICKSON: Thank you.

19 CHAIRMAN McCUSKER: Okay. Mr. Collins, Item 13,
20 an update for us on the status of the Arena Lot RFP.

21 MR. COLLINS: Mr. Chairman, Members of the Board,
22 you have a -- this is a discussion-only item because at this
23 stage there's nothing for this Board to do with respect to
24 the RFP.

25 As you maybe aware, there was a period for a

1 protest. Peach Properties filed a protest on September 4th.
2 That -- a copy of that protest was provided to Nor-Gen as
3 the interested party and asked if it wanted to respond.
4 Nor-Gen did in a timely fashion.

5 Both of those items are posted on the District's
6 web page, as is the transmittal letter from the contract
7 officer Michele outlining the process.

8 The anticipated ruling, if you will -- date -- is
9 this coming Friday. My office is working with Michele on
10 that. And I anticipate that there will be a ruling by
11 Friday.

12 CHAIRMAN McCUSKER: And what happens with that
13 dealing? Is that released to the parties? Is it public?
14 Will it go up on the website?

15 MR. COLLINS: All of the above.

16 Then there will be a period of seven days --
17 according to the procurement code, there are seven days in
18 which the party adversely affected by that ruling can
19 appeal. That appeal -- by the procurement code; if I said
20 probate, I didn't mean to; it's procurement code -- goes to
21 the Treasurer and the Chairman.

22 CHAIRMAN McCUSKER: Everybody got it?

23 Okay. While you're up there, the West Side
24 Parcel.

25 MR. COLLINS: We still don't have a deed. But I

1 drafted one thanks to the information I finally received
2 from the City. It's in the hands of Assistant City Attorney
3 Damian Fellows. He and I have worked together before.
4 We're making progress on that. Because we now have a legal
5 description and a draft ALTA, we're working to finalize that
6 ALTA with both WLB and Title Security whose providing the
7 title insurance.

8 CHAIRMAN McCUSKER: Is there something in our
9 packet regarding the WLB request? Or is it just a marked
10 item?

11 MR. COLLINS: It's just an agenda item. It's my
12 understanding, Mr. Chair, that there was some desire to
13 amend the existing contract with WLB to allow them to do
14 some soil testing.

15 CHAIRMAN McCUSKER: And I think we may want to cap
16 that. WLB's been working for us since the settlement
17 agreement was announced. This is a very troubled piece of
18 property. It is virtually a hundred percent landfill. We
19 now know it's still producing active methane. There are
20 monitoring wells on that property. We've just now have
21 obtained the legal. There's a gas line across it. There's
22 a sewer easement. There's a lot of issues.

23 One of the things we would like them to do next --
24 they've been great to work with; we wouldn't be here today
25 except the work that WLB's done -- is to really understand

1 what it is we got from the City, in terms of the depth and
2 issues associated with the landfill and the issues
3 associated with methane.

4 And I understand from my conversations with them
5 that will take drilling to actually get an accurate reading
6 on that, which I think we would have to have, any
7 developer's gonna to have to have. And they've estimated
8 that upwards to maybe 50- or \$60,000 of additional work.

9 So the amount left on our contract with them, you
10 have, I think, is just maybe 20 grand or 25,000 remaining.

11 MR. COLLINS: I don't have those numbers with me,
12 Mr. Chairman. But that sounds about right to me. There was
13 an original contract, as I recall, for \$36,000. And it was
14 then amended to add an additional \$25,000 to that.

15 I don't believe they've drawn that total amount
16 yet. So there is some margin. I don't have that number for
17 you right now.

18 CHAIRMAN McCUSKER: So we would need to probably
19 extend -- expand that contract by another, call it, 50 grand
20 to allow them the room to do the soil testing, methane gas
21 testing, so we really understand what's over there.

22 One of the things that this is in partial reaction
23 to, there's been a lot of interest from the neighborhood and
24 others about the possibilities of reforesting that property.
25 And we've been advised that you can't puncture the cap. And

1 we really need to understand before we could even consider
2 putting a tree over there, in terms of what we're dealing
3 with, with the landfill and the gas production.

4 So it's almost necessary for us to do this, this
5 testing. But I'd be fine with some sort of cap on them. If
6 they need more money, they'll come back to the Board.

7 And Mr. Moore can't vote on this item.

8 MR. COLLINS: Right.

9 SECRETARY IRVIN: If you're looking for a motion,
10 I'll make a motion to increase it to an additional \$50,000.

11 MR. MOORE: Second from Cody? Did I hear a
12 second? Did I pick that up?

13 TREASURER SHEAFE: What was the motion?

14 CHAIRMAN McCUSKER: To increase the WLB -- you're
15 recused so -- but to increase the WLB contract by an
16 additional \$50,000 specially for the purpose of soil and gas
17 testing on the site.

18 I didn't hear a second.

19 TREASURER SHEAFE: Did you have a reason for
20 selecting 50?

21 CHAIRMAN McCUSKER: Because I mentioned it as a
22 number. We're not going to know until we get --

23 TREASURER SHEAFE: Yeah. I was going to say,
24 that's a pretty liberal amount, I'm guessing, for those
25 tests. Having done --

1 CHAIRMAN McCUSKER: Well, they've got to drill. I
2 mean, it's drilling and drill rigs and . . .

3 TREASURER SHEAFE: I'll second.

4 CHAIRMAN McCUSKER: Any further discussion?

5 We have a motion and a second to increase the WLB
6 contract by \$50,000.

7 All in favor, say aye.

8 (Ayes.)

9 CHAIRMAN McCUSKER: Any opposed?

10 And one abstain, Mr. Moore.

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

13 CHAIRMAN McCUSKER: Thank you.

14 January 8th Memorial, Item 16. Pam, Steve, you
15 guys, thank you for hanging in there with us. And introduce
16 yourself.

17 MS. CROW: Steve, all set up here.

18 MR. BRIGHAM: Trying to get some life in the
19 laptop.

20 CHAIRMAN McCUSKER: Michelle, she's a woman of all
21 trades.

22 MR. BRIGHAM: Tell you what. While we're waiting,
23 let me introduce myself. I'm Stephen Brigham. I've been
24 involved with the memorial from its inception. I'm the
25 hospital representative.

1 CHAIRMAN McCUSKER: You're going to need get
2 closer to the mic or Jannie will never...

3 MR. BRIGHAM: Is that a little bit better?

4 CHAIRMAN McCUSKER: Yes.

5 MR. BRIGHAM: It sounds like it might be.

6 So I've been with the memorial activity from the
7 very beginning. I represent the hospital, the hospital
8 formally known as University Medical Center. And I've also
9 served as the President of the January 8th Memorial
10 Foundation.

11 With me is Pam Simon, one of the congressional
12 office staff persons who was shot that day and thankfully
13 survived. She is here to help me with this presentation.

14 What I'd like to do is depart from the
15 presentation a little bit. This is a pretty exciting day.
16 I just learned, and you're gonna learn for the first time,
17 that yesterday we just received I believe 60 proposals for
18 the planning and design of the memorial. And I'll get into
19 the detail, but it's so exciting I want to just lead with
20 that.

21 We have proposals from all over Arizona including
22 31 from Tucson. And proposals from Spain, Canada, and
23 India. So it's a pretty exciting day for us, as well as an
24 opportunity to talk to you about the opportunity to put
25 another piece of the puzzle together downtown.

1 I'd like to start with this historic slide.

2 As a kid growing up in Tucson, I was always -- I
3 always thought of downtown Tucson as one of the most
4 fantastic places that I've ever seen. And I was going back
5 and forth between Massachusetts and Arizona. Downtown
6 Tucson was terrific. And I think all of you and many others
7 in the community deserve a lot of credit for what's been
8 happening in the last few years.

9 We are part of that. We've got an incredible
10 site. We have a great opportunity to pull together a lot of
11 things here that I want to go through.

12 So, Michelle, if you can go to the next slide.

13 We have some -- we're an all volunteer group.

14 And if I could ask the volunteers that are here
15 from our foundation to just stand.

16 I'm not going to go through everybody. But this
17 is a group that's been working really hard for the past
18 couple of years to bring all this together, including
19 Michelle Crow, our foundation manager, who has exceeded her
20 allotment. She's a part-time employee. And so I have to
21 rush through this presentation so we don't go over her time
22 limit.

23 But we have a great group here. And it comprises
24 not only representatives from first responders, the
25 hospital, those who survived, family members from those who

1 did not survive. This is a pretty diverse group including
2 representatives from the City and the County. Because, as
3 you know, the City and the County have been just great
4 partners in getting us to this point.

5 Go to the next one please.

6 We've had a mission and a vision to be more than a
7 memorial. This is about bringing people together. That was
8 the mantra of that week when President Obama came here to
9 talk to us. This is our opportunity to bring a lot of
10 things together, including the City and County who, as we
11 know, don't always play that well together. We are one of
12 those catalysts that bring a lot of things to a focus that
13 fortunately has landed in downtown Tucson.

14 Next slide.

15 The great event for us happened this January when
16 the County and the City came together and passed a joint
17 resolution. Because as you probably know from all the
18 coverage, we did not have a location. Even though the
19 shooting took place at Safeway and a lot of the lives were
20 saved at the hospital, those sites did not make any sense.

21 We struggled with many of you and other community
22 leaders, downtown leaders, to try to find a site. And,
23 finally, in January of 2014, we landed in the most
24 miraculous site you can ever imagine. And the City and
25 County came together on that, passed joint resolutions, and

1 we had a press conference to inaugurate and celebrate that.

2 Next side.

3 So Pam's going to talk a little bit about the
4 meaning of the memorial and why we're here.

5 MS. SIMON: Good afternoon. Everyone of you
6 remembers exactly where you were when you got the news about
7 what had happened on January 8th. And at the time you were
8 getting the news, I was being rolled in to the back door to
9 the emergency room. Very thankfully, had some of the best
10 medical care possible. And I am standing here today because
11 of that.

12 But I have another moment that really stands out.
13 And as you look at that memorial that sprung up
14 spontaneously -- the first time I saw that, was when my
15 family wheeled me out on a wheelchair to the balcony of the
16 cancer center. It was evening and I looked down. The
17 candles were lit. A violinist was playing. Gabe
18 Zimmerman's bicycle group was winding its way out to do a
19 memorial ride with their lights lit. And it absolutely hit
20 me that I was not alone. My family and I were surround by
21 community. It was an absolutely beautiful moment for me.

22 And what I realized also is that the community
23 needed do that. They needed to come together to grieve.
24 They needed to come together to ask what was next.

25 And come together, we did. Other cities have

1 contacted the Foundation to ask why we were different.
2 Tucson was very unique in our response. There was a lot of
3 anger. I know all of you must have heard it from people but
4 not a fire was set, not a brick was thrown. The response
5 was to come together and find out how can we make something
6 positive come out of this horrific event.

7 And leaders and community members came together.
8 And out of that, came a group of people that decided to
9 start thinking, very early on, about how do we want to
10 remember this? How do we want to commemorate this really
11 tragic day in Tucson?

12 And we were advised and we did due diligence. We
13 talked to many other cities that have built memorials around
14 a variety of tragic events. And one of the shining examples
15 for us was Oklahoma City. And I am hoping that you can see
16 the numbers up there. Because as you can see, it turned out
17 that this memorial was more than a gathering place. It
18 became a gathering place for the nation. And people come
19 there, thousands and thousands of visitors every year.

20 This event happened and the bombing happened on
21 April 19, 1995. And it was the largest terror attack,
22 domestic, on American soil. It was a huge event in American
23 history. People came together. And this is a much larger
24 scale than we are planning on. But they raised \$29 million.
25 What's interesting is 60 percent of that was privately

1 funded. And they've just gone through a large refurbishment
2 process.

3 But they also were at a unique place in their
4 history. Their downtown was in decay. They -- businesses
5 were moving out. I know some of you have been to Oklahoma
6 City to visit this site. They, somewhat like Rio Nuevo, had
7 started a program. They had raised over a billion dollars
8 to do a missive refurbishing and revitalizing of their
9 downtown. And this memorial turned out to be an opportunity
10 for economic growth that they had -- that exceeded their
11 wildest imagination.

12 Thank you.

13 Another one that we talked to, we had a lot of
14 phone conversations, some private trips were made by
15 individuals on the memorial foundation board, Shanksville
16 Pennsylvania. This is different in that it was rural. It's
17 quite a ways from an urban center.

18 It's to memorialize the tragic Flight 93 that
19 heroically was diverted. We think it was on its way to
20 destroy either the White House or the Capital, ended up
21 crashing. And it took them a long time to -- even though it
22 was very site specific -- to come up with the site.

23 And the numbers just -- I actually rechecked them
24 after Stephen showed me this slide. 300,000 people or more,
25 every year, visit this site. Which means they come from a

1 long way away. Visitor spending, in the surrounding area,
2 they estimate it to be in the neighborhood of over
3 \$17 million. It was a job creator as well.

4 So it has -- it's a unique thing, that people go
5 to memorials. And we have heard from the Visitors Center
6 that people will make calls -- and this really surprised
7 me -- they want to know where the Safeway is. Where was
8 Gabby's office? Where is the hospital?

9 They want to make these visits. So it reminds us
10 of the ripple effect, that it just didn't happen to our
11 community. This event touched lives all over the country.

12 So our memorial plan is three parts. The first
13 one is an exterior place that Stephen alluded to. A perfect
14 place, an absolutely perfect place because it is reminiscent
15 of Congress on Your Corner.

16 Congress -- and I've been to almost all of the
17 Congress on Your Corners from the time Gabby was first
18 elected. I came on staff very soon afterwards. And I
19 remember we were very excited at the first one because we
20 weren't sure how this was going to work. And I got goose
21 bumps looking at the line of people, young and old,
22 different political parties, different walks of life.

23 And they represented the truest form of our
24 representative democracy. They lined up in front of a
25 Safeway, in front of a library -- we went to towns all over

1 southern Arizona -- to talk with their elect representative.
2 So what better place than to put it right here at the heart
3 of the Tucson government.

4 CHAIRMAN McCUSKER: You might just dwell there for
5 a minute because I'm not sure everybody understands exactly
6 the site you're talking about. It's the current Roy Place
7 building that houses the County Courthouse.

8 MS. SIMON: Yes.

9 To clarify, the historic domed courthouse. And it
10 will be the side that faces Presidio Park. And there is a
11 space there. Stephen will talk more specifically, with
12 maps.

13 MR. MOORE: Where the library is?

14 MS. SIMON: The opposite side of the lake.

15 CHAIRMAN McCUSKER: Where the County Courthouse is
16 now.

17 MS. SIMON: So this will be on the --

18 MR. BRIGHAM: We've got a slide we can show you.

19 MS. SIMON: Yeah. With maps and everything.

20 A second part of the memorial is an interior space
21 that will tell the story, and in partnership with the County
22 and with the art museum, with proposed spaces inside that we
23 will have a room or a space that will be the place where we
24 can tell the story of what happened, the historical
25 components.

1 I'm a retired schoolteacher, so I like to envision
2 50 years from now, maybe even more, a young teacher who
3 hasn't been born yet will be leading a field trip down to
4 this location. And it's my great hope, and I'm sure yours
5 too, that those children will take away some lessons that
6 they learned from our stories to make their Tucson, the
7 Tucson that we won't get to see, but to make their Tucson
8 better.

9 CHAIRMAN McCUSKER: Mr. Moore will still be here.

10 MS. SIMON: Yes, we can count on that.

11 Thank you. Next one. Next slide.

12 And the third part is an incredibly important
13 part. Tributes were left, spontaneously, in front of the
14 Safeway; in front of the hospital; and in the corner of
15 Gabby's office.

16 In addition to that, I stayed on at the office
17 until it -- Gabby's office officially closed, so a year and
18 a half. And there wasn't a day that went by that somebody
19 didn't come in with a book that they thought might be
20 helpful -- or one gentleman, retired soldier, brought in his
21 purple heart because he wanted to give that to the
22 congresswoman. Sometimes things were brought in that people
23 had made just to show their healing process because this
24 opened up grief for people in many, many ways. Thousands
25 and thousands of candles.

1 And we've -- the Foundation board has hired a
2 professional archivist that worked along with a group of
3 volunteers under the leadership of Emily Nottingham, Gabe
4 Zimmerman's mother. And there are over 38,000 items
5 including cards and letters and posters made by school
6 children.

7 We can go into more detail about the disbursement
8 of these items. But some of these will be used in the
9 display in the next month at the historical society. They
10 are used often for displays on anniversaries at the library.
11 And it's very, very important that we keep these pieces that
12 are going to help us remember and understand how the
13 community came together.

14 The other portion is the oral history. And it's
15 important to save those stories and to hear those firsthand,
16 stories that will be lost if we don't save them. Already,
17 the Foundation has started with interviews, video
18 interviews, of those that are survivors, those that are
19 family members of victims, the medical personnel, some of
20 the bystanders that day. And we'll spread out because there
21 are more and more stories.

22 And I think that a future Ken Burns is going thank
23 all of us, that as a community we had the foresight so save
24 those first person stories. Unless Mr. Moore can be here to
25 tell the stories, because he'll still be here.

1 MR. MOORE: I may be here.

2 MR. BRIGHAM: So let me get into some of the
3 specifics. I'm not going to take a lot of time. And I
4 believe Jannie Cox is online and has copy of this. But we
5 were introduced, when we started looking at downtown, at how
6 things connect. And there's a term referred to as
7 Stravenue. I'm not sure if it's a still-active term. But
8 the idea of connecting a lot of important places downtown
9 was really important to us as we were sorting through the
10 options for where we could place a memorial.

11 Orientation of where we are is right here. The
12 Convention Center, this has a connection, of course, to the
13 Museum of Contemporary Art. We've talked about the Eckbo
14 amphitheater, the fountains, this importance necklace of
15 activity. And then come through the bridge between the
16 County complex and El Presidio Park which is up in here.
17 This is the opportunity to create or recreate and enhance,
18 really, a jewel at the end of all this pathway.

19 In more detail, this is the park. In all candor,
20 it probably was a wonderful park at one point. It's gotten
21 a bit messy. There's sculpture that's landed in different
22 places. The City and I believe the County has struggled
23 with where the memorials go, where the statues go.

24 And we didn't want to contribute to that. We
25 wanted to provide a vision for the park, which is really

1 Tucson's central gathering places where Tucson Meet Yourself
2 lands and many other community activities.

3 We saw our responsibility to give the City, give
4 the County, give you a vision for how this whole area -- and
5 that's what the white line envisions, is a vision for this
6 whole block. How does this all come together? And then
7 once we have that vision, what is the detail for the
8 memorial? Which would be approximately located in here.

9 That doesn't suggest that that's the size of it.
10 That's the detailed area for where we want to focus the
11 design work for the memorial.

12 The other thing I'll just mention while I have
13 this slide up here -- because, as I mentioned, this is
14 really an exciting day -- we just got a letter from the City
15 of Tucson who wants to make sure that we are doing more than
16 just providing a vision for this park. They're willing to
17 complete the master plan. So concurrent with our work,
18 they're willing to fund a portion of what's required to take
19 the vision and then -- and then create the detailed master
20 plan for this whole thing. So we just got that letter as I
21 was sitting here and a pretty exciting thing.

22 So does this help the Board members understand
23 where we're located? It's really on the historic entrance
24 to the courthouse. Everybody thinks the other side is the
25 entrance. This is really the entrance that is off of Court

1 Avenue. That's where we are going focus our attention.

2 You can see another perspective of it here. A lot
3 of opportunity, obviously. And I'm not going to get into
4 all those detailed opportunities, but you can see it just by
5 walking around. I think this picture is informative in the
6 lack of people that you see there. We have an opportunity.

7 TREASURER SHEAFE: Can I ask a question? You
8 know, already, there is both a World War I and I think World
9 War II memorials there.

10 MR. BRIGHAM: Yes.

11 TREASURER SHEAFE: If you are planning to go out
12 for a competition and select somebody, do you have any
13 ground rules as to how you honor the memorials that are --
14 already exist?

15 MR. BRIGHAM: That's a great question. And it's
16 one of the challenges we put into the request for
17 qualifications, that we are not in a position to say this
18 memorial is more important than that one. But I think a
19 talented designer coming in -- design team coming in to this
20 environment will say, the Battle of the Bulge is a great
21 event to celebrate, but it's placement may not be the best
22 placement. It landed in essentially a planter. It's
23 probably not the best place to celebrate the Battle of
24 the Bulge.

25 So I think there's some opportunity. And we're

1 counting on that design team to advise us on how this can
2 all come together. We know we might be treading delicately
3 on existing elements there. But that's part of our job, is
4 to bring some vision to this.

5 Does that help to answer some of that?

6 TREASURER SHEAFE: Yep.

7 MR. BRIGHAM: I just includes this slide only
8 because it shows what we are all dealing with, all the
9 elements that are there. So great opportunity. Don't need
10 to spend a lot of time on it. As you know, this is a
11 connection between City Hall and eventually the County
12 leadership at the courthouse.

13 Here's some of the details. I hesitate to go
14 through all this. I want to see if you have any questions.
15 But this essentially outlines what Tucson Pima Arts Council
16 has been working on for us to put out the request for
17 qualifications.

18 So I did insert the number that we have here. We
19 have 60 proposals. The rough schedule is that we hope by
20 this next anniversary date we can announce publicly who that
21 designer is and at the next anniversary date, have the
22 design complete -- this is assuming successful
23 fundraising -- and having a grand opening.

24 And remember Pam's summary that there are three
25 parts to this memorial. We're talking about Part 1. Part 1

1 is the exterior part of this. Part 2 will be part of the
2 Pima County bond proposal or part of the -- that building's
3 renovation budget. And Part 3, we're already working on,
4 which is all the oral stories, the archives, and everything
5 else. So this is really about that one exterior piece.

6 The budget that we are asking for help with is
7 this \$150,000 cost for putting -- paying for the proposals,
8 the designer to do the master plan vision, and the schematic
9 design. You can see the breakdown up there.

10 Right now, everybody asks us, how much is this
11 memorial gonna cost?

12 We bookmarked a million to \$2 million which is
13 considerably more modest than the other memorials we've
14 shown you. I think it's at the appropriate scale.

15 However, if we get a really fabulous designer in
16 here, the next Maya Lynn that did the Vietnam memorial, that
17 really excites our community in a way that says, we are
18 willing to fund this to the greater level, then hopefully we
19 can boost that. But that's what we're putting out there
20 just for initial discussion purposes, of what our memorial
21 could be, on the outside.

22 A lot of support -- a lot of support here from the
23 Downtown partnership here.

24 Thank you, Michael. I think you're still here,
25 appreciate that.

1 The newspapers have been terrific. Fitz, I think,
2 has done almost everything but design the memorial. Some
3 great cartoons. It showed up in the Tucson in 100 objects.
4 A great responsibility there to be a part of that. So great
5 local and international support. In fact, while I was just
6 sitting here, I learned that NPR is trying to get ahold of
7 us to do an interview because they know the deadline for
8 submittals was yesterday. They want to know the results of
9 this meeting. So a lot of international, national attention
10 to this.

11 So --

12 MS. SIMON: I didn't know whether I should sneak
13 up or just let him keep talking.

14 Really, all I wanted to say is, as the board as
15 worked, we have met with community leaders. We met with
16 group across the community. There seems to be a lot of
17 enthusiasm because people see this as not only necessary --
18 how could we not commemorate this -- probably, sadly, this
19 historic event that may never be surpassed, this was a
20 moment when all the eyes of the world were on Tucson.

21 And we need to commemorate this for a whole
22 variety of reason. In large part, for the community itself.
23 Because once again, we want to commemorate the spirit. And
24 the site is perfect. The location will say something about
25 echoing that theme of Congressman on Your Corner and having

1 access to government.

2 But more importantly, and many thanks to all of
3 you, because the downtown has begun to come alive again.
4 And I can give you an example of that. Have you tried to
5 get an ice cream cone at the HUB at eleven o'clock at night
6 on a weeknight and seen a line come out the door? This is
7 actively like we haven't seen in a long time. And we
8 believe that we have an opportunity for this memorial to be
9 part of this revitalization.

10 One of the obvious things is that we will be able
11 to go to the community at large once we have the rendering,
12 once we have the drawing that they can get exciting about.
13 So we have visions of every school child being involved in
14 this process. So that's -- we're moving. We're -- we're
15 close to next step -- which is choosing the designer,
16 getting the design -- and then going to the broader capital
17 appeal to the -- to the broader community.

18 MR. BRIGHAM: So that's -- so those are our
19 slides.

20 CHAIRMAN McCUSKER: You have a specific ask of us,
21 so go through that.

22 MR. BRIGHAM: We are suggesting a half funding of
23 the \$150,000 cost of the RFQ. We thought that that would be
24 a fitting commitment of a community organization such as
25 yours which is a central downtown planning redevelopment

1 authority. If that's the right phrase.

2 TREASURER SHEAFE: Let me ask you about that
3 because in your documentation you're proposing that the
4 actual preparation is about a \$90,000 expense. And then you
5 have some \$5,000 chunks in there because I -- I don't know
6 how many finalists you plan to have. But it would seem to
7 me, two or three would be sufficient. And you're trying to
8 get those people to invest enough time and money that you
9 can actually make a selection between them. So you're
10 talking about a budget to design this thing and get your --
11 the foundation of it down of somewhere around 105,000 at the
12 most.

13 MR. BRIGHAM: We were budgeting --

14 TREASURER SHEAFE: So what would be our
15 participation if we were to provide some seed capital just
16 to get this going without taking on the whole burden on our
17 side?

18 MR. BRIGHAM: And, again, we're not asking you to
19 take on the full burden. We were budgeting that we might
20 have five finalists because of the amount of attention that
21 has come to this, five finalists that would go through an
22 additional preliminary process in sketching and design work.
23 And then we would select from those five finalists.

24 So that's where the -- that --

25 MR. RITCHIE: I think it's outlined, Chris. Isn't

1 it -- the full 150,000 is outlined in the document.

2 TREASURER SHEAFE: Well, the design element that I
3 read was 90,000. And then there was additional financing.
4 Did I misread it?

5 MS. SIMON: Some of the -- some of the cost will
6 involve and will be dependent on who the finalists are
7 because they will be brought in so that they can physically
8 see the site. That's going to be essential. And so the
9 \$5,000 is allocated to bring in -- it could be three, it;
10 could be up to five. It doesn't mean that they will choose
11 five.

12 MR. RITCHIE: Could we make an amendment that we
13 could give up to 75,000, but it would be half of whatever
14 the amount turned out to be?

15 MR. BRIGHAM: I think that's a great idea. We
16 can't -- we're looking to you, as our downtown planning
17 group, to show a community support for an important downtown
18 project. And so, you know, however you want to weigh in on
19 that, we were suggesting a half cost.

20 And if our costs are less, I think that makes
21 sense. I'm not -- I'm not conferring with my board who is
22 behind me who may chastising me later. But that seems to
23 make some sense.

24 SECRETARY IRVIN: Steve, discussions with the
25 City, I know you guys are cued up to be in the bond,

1 hopefully you will be. That's obviously taxpayer money.
2 But has there been a discussion with the City and the County
3 about, you know, maybe everybody pony up 50,000? Has there
4 been any kind of discussion like that?

5 MR. BRIGHAM: I think that's where the City came
6 forward and recognized the responsibility because this is
7 their Park to maintain and is responsible for it. So they
8 want to see that we complete our work. So that's where
9 they're coming forward to help with that. So that's their
10 contribution.

11 The County has been contributing in other ways.

12 I'm not here to say that we have every single
13 dollar divided in the right way that it should be divided.
14 This late contribution from the City was -- was a good thing
15 for us.

16 MR. RITCHIE: Isn't the County providing the
17 building?

18 MR. BRIGHAM: They're providing the building;
19 they've folded us into the bond proposal; they are committed
20 to helping pay for the interior portion of the concept; and
21 if that bond is successful and the budgeting is successful
22 for the renovation of the building, they may be able to
23 contribute even more.

24 SECRETARY IRVIN: So if we kicked in 75,000, where
25 would you envision from the other half to come from?

1 MR. BRIGHAM: From our -- from our efforts through
2 private fundraising. We've got grant proposals out there.
3 Michelle's been very active beating the streets for public
4 money, perhaps from the State.

5 But we're -- remember, we're a volunteer group
6 that's just trying to get money in the door as best we can.
7 So we're --

8 Yeah. Go ahead.

9 MS. SIMON: One of the grants, we did hire a grant
10 writer and have done extensive grant search. One of the
11 grants submitted is the National Endowment for the Arts.
12 This seems to be a perfect fit in one area of their
13 advancementship. We asked for \$50,000 that would help
14 support the RFQ process. And we will find out in April. It
15 will pay out in July. But it would help us with that
16 \$90,000 commission that will go to the selected artist to
17 build out the design.

18 CHAIRMAN McCUSKER: Mr. Sheafe?

19 TREASURER SHEAFE: Let me make a suggestion. It's
20 a little different than what you're suggesting. And part of
21 this is self-serving because we have to set a process here
22 that we can live with because you're going to be part of a
23 long line of people coming and talking to us about a lot of
24 different things.

25 What you really need to do is get to the point

1 where you understand what the vision is. Right now, you're
2 trying to find the person who can get the vision put
3 together for you and you can select that one so you at least
4 know that vision is, right? And then you can work with that
5 one person.

6 All right. So let's assume you have four
7 finalists that you've selected. Say, of these four, we're
8 going to -- hopefully we can find that vision amongst these
9 four.

10 You need 20,000 for that. So I'm going to make a
11 motion that we seed this thing for 20,000 to start with to
12 get you to the point where you have a vision so you can sell
13 your story.

14 Now, I want to caution you about one thing. I
15 sit on the bond committee. And I'm very familiar with this
16 coming in. Well, we have a bond committee that's got
17 about -- we don't know, but we think it's about 650 million
18 of advance on the bond. And we have about a billion-six of
19 programs like yours that are being -- so that billion-six is
20 going to get pushed down to about 650 million. And there's
21 some very big elements that are already there. So it's a
22 long ways from getting approved at the County bond level. I
23 just want to say that.

24 But you need to get something started. And that's
25 what we can do with some of these Rio Nuevo dollars. So

1 having said that -- if you'll allow me --

2 MS. SIMON: Oh, I'm fine.

3 TREASURER SHEAFE: Yeah.

4 -- I just would like to put forth the motion that
5 we start with --

6 MR. RITCHIE: Well, hold on. We've got a motion.
7 Well, I thought I was making a motion earlier.

8 TREASURER SHEAFE: Oh, I'll back off, then.

9 MR. RITCHIE: Yeah. And the reason -- if I can
10 get back to my -- I think I've been pretty frugal with our
11 public dollars.

12 And I totally understand where you're coming from,
13 Chris.

14 I think that this is such an iconic or it was such
15 a -- like you said, no other group that's going to come in
16 front of us I think can appeal to the emotions of what
17 happened on this one event.

18 So I think that my motion kind of does what your
19 motion is alluding to, that we offer up to \$75,000, but keep
20 it half of what they're asking for. So if they only have to
21 pay 90,000, we're only paying \$45,000.

22 So my motion is to grant them the seed money, up
23 to 75,000, cap it at half of what they are willing to pay.
24 So that is an official motion that I'm going to throw out on
25 the table.

1 SECRETARY IRVIN: So just so I'm clear, so you
2 really are requiring match.

3 MR. RITCHIE: I'm requiring match, yeah.

4 CHAIRMAN McCUSKER: This motion, to paraphrase, is
5 that we would cover half of their expenses up to \$75,000.

6 SECRETARY IRVIN: I'll second that.

7 CHAIRMAN McCUSKER: Mr. Moore?

8 MR. MOORE: Yeah, I mean, I think the project is
9 very worthwhile, and I support the project. But this is a
10 lot of money. And I think there's a lot of parts to it
11 that, in my own mind, I have to sort out. And I would like
12 to have an opportunity to -- maybe we pose this for our next
13 executive meeting and try to -- and discuss it and see maybe
14 there's some other avenues that we could be helpful and also
15 maybe in supporting sources of funding for this project.

16 But just to come up with a number and say, well,
17 we'll approve half of it or matching funds, I think that's a
18 little premature. This is the first time I've heard about
19 the project. I think it's a valid project. But I'm
20 concerned that we shouldn't be making decisions like that
21 without thinking about it and talking amongst ourselves.
22 We've had very little -- it's hard do that in a public
23 meeting and sort of understand where everyone's coming from.

24 So that's my only comment.

25 CHAIRMAN McCUSKER: Well, we can't talk about it

1 in exec unless we only discuss the legal ramifications of
2 it. Unfortunately, we're stuck dealing with it in a public
3 meeting.

4 What's the timing of this from here? What are you
5 doing next? When do you -- you know, when do you need the
6 money, basically?

7 MR. BRIGHAM: So we are right there. We have 60
8 teams that have applied. We are trying to schedule the
9 meetings of the selection panel through Tucson Pima Arts
10 Council. So pretty quickly, we're going to start to get
11 into a situation where we need --

12 CHAIRMAN McCUSKER: And did I read it right? The
13 winning person that's selected gets a \$90,000 stipend, is
14 that part of what was advertised in your --

15 MR. BRIGHAM: Right. And that's separate from
16 what Mr. Sheafe was talking about, that initial funding to
17 winnow down, whether it's three, four or five finalists.

18 CHAIRMAN McCUSKER: The bit that you're missing is
19 the finalist gets a \$90,000 grant.

20 TREASURER SHEAFE: Well, what I'm -- and let me
21 just try to reemphasize the point. What I'm trying to say
22 is, you're at Stage 1.

23 MR. BRIGHAM: Right.

24 TREASURER SHEAFE: At Stage 1, you really need the
25 catalyst to get going, which is simply to find the one you

1 would select if you had the \$90,000.

2 CHAIRMAN McCUSKER: Mr. Hill's about to call for
3 the question.

4 MR. HILL: I'm willing to discuss the issue.

5 CHAIRMAN McCUSKER: Oh, okay.

6 MS. SIMON: I did want to say that we actually
7 feel farther than Stage 1. There has been -- we -- we have
8 raised, independently, \$150,000 that's been used to bring us
9 to this point.

10 The process and the numbers decided, such as the
11 90,000, have been very carefully deliberated. And we've
12 relied on TPAC who is -- is doing this process. So it's --
13 I want to assure you that it wasn't kind of pulled out of
14 the air, that there's been a lot of thought, lot of
15 deliberation, we feel, beyond the seed.

16 There's been community members that have given
17 towards the seed money. And we are really now at a launch
18 where we need to be able to have the resources to call these
19 finalists in. And it could be two finalists. But we need
20 to have the resources to bring in up to five finalists so
21 they can look at the site and come up with the best possible
22 design.

23 And down the line, I think there will definitely
24 be return on the money.

25 CHAIRMAN McCUSKER: Okay. We have a motion and a

1 second. The motion is --

2 Mr. Hill, go ahead.

3 MR. HILL: Mr. Chairman, I just wanted to discuss
4 the issue. Similar along Mr. Moore's viewpoints, I've
5 written down a number of items that need exploration or are
6 not clear or even not appropriate.

7 At the legislature, we had the Vietnam War
8 Memorial. The legislature allowed that to happen. But we
9 did not fund it. In 12 years, I don't believe I ever voted
10 for any funding of a 501(c)(3) entity. We allowed them to
11 build stuff in Wesley Memorial Park. And they raised the
12 money.

13 So I'm somewhat flummoxed that a group would come
14 before us and ask for money -- and it's State money; it's
15 not City of Tucson or Pima County's money -- to fund a
16 memorial on land we do not own, not linked -- they got that
17 excerpt of the quotation in here about downtown, that means
18 also private money, how this helps us attract private money,
19 would share in tourism, what have you. That also escapes
20 me.

21 Itself can fund it. It may do that. But it's
22 part and parcel of a continuation of taking money from the
23 state taxpayers for boondoggles. If they build this thing
24 and it has a plaque and it says, Rio Nuevo, 50 years from
25 now people are going to say, oh, that must have been part of

1 that \$260 million.

2 We have a terrible reputation. We should not
3 continue it by giving state taxpayers' money to 501(c)(3)s.
4 Let them go out and make their own money.

5 Now, if we have to approve this because it was our
6 land, that's a different story. But it's apparently Pima
7 County's. And I love the Pima County's feel good
8 resolution. We did that all the time. I -- we did it too,
9 make the taxpayers think we're doing something we're not.

10 But there's no money in this. Clearly, Pima
11 Country didn't put any money in it. The City of Tucson
12 isn't doing it. So who's the next patsy on the list?
13 Rio Nuevo. In fact, they gave \$260 million away. What's
14 75,000?

15 Well, you might be able to do it. But,
16 Mr. Chairman, not with my vote.

17 CHAIRMAN McCUSKER: Is there any way our money
18 could be conditioned on the City's and County's investment?

19 The timing doesn't really work, right? Because
20 you're trying to advance money to your designers which is
21 what you're raising.

22 The County's -- I mean, really, the County hasn't
23 done anything. You've got a proposal that would go before
24 the Bond Commission. The Bond Commission has to approve it;
25 the board of supervisors have to approve it; and ultimately

1 voters have to approval it.

2 So to Mr. Hill's point, there's not going to be
3 any County investment until such a time as the voters
4 approve a bond. But there's no way for us to match anything
5 they're doing and help you.

6 Is the City investing any hard dollars, or are
7 they offering you --

8 MR. BRIGHAM: No.

9 CHAIRMAN McCUSKER: -- the use of their plaza,
10 again, subject to the bond?

11 MR. BRIGHAM: Well, for the City, they are
12 committed to the master plan, the cost of completing the
13 master plan.

14 And, Michelle?

15 MS. CROW: They're committing \$30,000 towards this
16 project.

17 MR. BRIGHAM: 30,000.

18 I can't speak to how much the County is
19 contributing because they are offering the land and -- and
20 it's a complicated ownership issue here, as you can imagine,
21 where the County owns the land underneath the park that --

22 CHAIRMAN McCUSKER: Is that commitment subject to
23 the bond, or are they prepared to . . .

24 MR. BRIGHAM: No. That's what the resolution --

25 MR. MOORE: Are they going to give you access to

1 that whether the bond passes or not?

2 MR. BRIGHAM: But to Mr. Sheafe's point, the bond
3 proposal is not firm. We cannot count on that. And it's
4 very hard for us to fundraise without any type of a vision
5 that we can show people, this is what it's going to look
6 like, and this is what it's going to cost.

7 We're really caught in a situation where we've got
8 great community commitment -- and I'm using the broad term
9 of community, city and county -- to say this is where
10 Tucson, Arizona's memorial in January event should be.

11 MR. RITCHIE: Mr. Chairman?

12 CHAIRMAN McCUSKER: Go ahead.

13 MR. RITCHIE: You can call the vote. But I just
14 want to -- I want to kind of defend my motion because when I
15 joined this Board, I, like many of you -- and I can
16 understand where you're coming from, Jeff -- but there was
17 \$8 million spent for one project and 3 million and 5
18 million. And I wanted to put an end to that.

19 And so I thought the whole purpose of Rio Nuevo
20 was to unite -- get people to come downtown. I think this
21 will accomplish that and then create additional TIF dollars,
22 because if people are coming downtown, they're eating at our
23 restaurants and are spending money in other businesses.

24 So I've seen lots of money spent on lots of
25 different projects. And I think if we could limit it to

1 X-amount of dollars, we're being fiscally responsible. And
2 I would hope that the City and the County, in good faith --
3 and I know that's something that they haven't done in the
4 past, but I think we're well past that point, were things
5 have been moving pretty well -- would honor this very sad
6 day in our history and, like you said, make something good
7 out of something bad.

8 That is defending my motion.

9 CHAIRMAN McCUSKER: Mr. Moore?

10 MR. MOORE: Well, I mean, again, I think there are
11 a lot of facets in this project. I think you've heard a lot
12 of opinions here. And I'm having difficulty figuring out
13 what's the best strategy and what's the best way to finance
14 the program. And I think we need to figure out how to sit
15 down and talk about it as a Board.

16 I don't care -- I don't know what the vehicle is
17 as an Executive Committee on why we can't find some way of
18 discussing it, whether it's a legal matter or whatever. I
19 think we need to sit down and talk.

20 CHAIRMAN McCUSKER: We can do it in a study
21 session. We can do it in an open study session. What you
22 have to do is offer an alternative motion to table it so
23 that we could study it. And if he would withdraw his
24 motion, then we could vote on that one.

25 But right now, we have a motion and a second.

1 MR. HILL: Substitute motion, motion to table.

2 CHAIRMAN McCUSKER: All right. Substitute motion.
3 You move to table.

4 Is there a second to that?

5 TREASURER SHEAFE: I'll second that.

6 MS. COX: Second.

7 CHAIRMAN McCUSKER: Okay. So we have a substitute
8 motion to table the item.

9 Mr. Hill, help me out. We have to vote on that,
10 right?

11 MR. HILL: Yes.

12 CHAIRMAN McCUSKER: All right. So, Michele, call
13 the roll.

14 MS. BETTINI: Cody Ritchie?

15 MR. RITCHIE: No.

16 MS. BETTINI: Jeff Hill?

17 MR. HILL: Yes.

18 MS. BETTINI: Mark Irvin?

19 SECRETARY IRVIN: No.

20 MS. BETTINI: Chris Sheafe?

21 TREASURER SHEAFE: Yes.

22 MS. BETTINI: Alberto Moore?

23 MR. MOORE: Yes.

24 MS. BETTINI: Jannie Cox?

25 MS. COX: Yes.

1 MS. BETTINI: Fletcher McCusker?

2 CHAIRMAN McCUSKER: This is the motion to table,
3 right?

4 Yes.

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

7 CHAIRMAN McCUSKER: Okay. So we didn't say no.
8 But obviously we've got to do some more work. And we've got
9 to find a way to do that that allows the public to
10 participate in that process.

11 So what we may do is try and have a study session
12 or something where we can sit down with you and understand
13 in more detail exactly -- and I think some of the things
14 you've heard today are, what happens if the bond doesn't go
15 through, and what other organizations are making
16 commitments, and . . .

17 MR. BRIGHAM: Mr. Chairman, do you have a sense of
18 timing?

19 TREASURER SHEAFE: Do you think we could put that
20 on the 17th? We've got a meeting coming up fairly quickly.

21 Because I know you're trying to get things moving
22 forward.

23 CHAIRMAN McCUSKER: Sure, why not.

24 TREASURER SHEAFE: So we'll press ourselves to get
25 you back in front of us.

1 MR. BRIGHAM: Appreciate that.

2 CHAIRMAN McCUSKER: So the motion to table is
3 passed. And we'll do some more work with you.

4 Mr. Moore and Mr. Hill, thank you very much.

5 MR. BRIGHAM: Would you please just let us know if
6 there's any additional materials that you'd like us to
7 provide for that. We'll try to anticipate some of the
8 questions.

9 CHAIRMAN McCUSKER: All right.

10 MR. MOORE: Mr. Chairman?

11 CHAIRMAN McCUSKER: Mr. Moore?

12 MR. MOORE: I would like to see if you have a list
13 of people that have already made a commitment to contribute
14 to the program. It would be nice to have that list. It can
15 be confidential. I don't know. You know, however you want
16 to do it.

17 MR. BRIGHAM: I've got a summary. But maybe not
18 individuals, but . . .

19 MR. MOORE: Well, you know, something so we know
20 that we're -- that there's enough people in there that are
21 riding along with us.

22 TREASURER SHEAFE: Well, let me ask a question.
23 Am I allowed to ask a question?

24 CHAIRMAN McCUSKER: Sure you are.

25 TREASURER SHEAFE: Well, at least I'm checking.

1 CHAIRMAN McCUSKER: You have approval.

2 TREASURER SHEAFE: You have your finalists, 60 --
3 or you have your proposals from 60. There's nothing
4 stopping you at this point, between now and the 17th, to
5 begin refining that down to who your three or four or five,
6 whatever the number is, of that finalist group. So that
7 work has to happen. You probably would take that much time
8 to get that work done anyway, correct?

9 MR. BRIGHAM: I'm looking at my colleague from
10 Tucson Pima Arts Council, Mary Lu. I think you're correct
11 on that. But the other thing that's important for these
12 people that put together the time and effort to put a
13 proposal together, they want to have a sense that we, as a
14 community, are committed to this project. So as quickly as
15 we can, I'd like to show that there's a broad base of
16 support.

17 TREASURER SHEAFE: Okay. But you already have
18 that portion of it. So you can make that selection with
19 what you already have.

20 MR. BRIGHAM: Right.

21 TREASURER SHEAFE: So on the 17th, you can be an
22 awful lot more specific, we've got these proposals. We
23 would like to now fund this to the point where we can move
24 forward.

25 CHAIRMAN McCUSKER: And to Mr. Hill's point -- I

1 think he's the conscience of the Rio Nuevo -- is what our
2 interest would be is return on investment.

3 You've appealed to our emotional -- why wouldn't
4 we fund this project? But in the cold light of day, what's
5 the return on these state tax dollars?

6 I believe there can be economic benefit from this.
7 You'll attract visitors. You know, if we can put some meat
8 to that, then I think we have a better understanding that
9 we're investing in something rather than just making a
10 donation. And I think that's the challenge some of us
11 members are at.

12 MR. BRIGHAM: All right.

13 CHAIRMAN McCUSKER: Okay. We'll see you back.
14 We'll confirm that that date works, and let us know if
15 that's a problem. It's a morning meeting. So right now,
16 it's scheduled for 9 o'clock. But we can have a study
17 session.

18 MR. BRIGHAM: Thank's for your attention.

19 CHAIRMAN McCUSKER: Thank you very much.

20 MR. BRIGHAM: Thank you.

21 CHAIRMAN McCUSKER: All right. Mr. Keith, you get
22 to follow that. So good luck.

23 Just as a preface as Michael comes up, we
24 committed to \$750,000 dedicated to Downtown Streetscapes in
25 the City settlement. With the legislation that passed in

1 July, we're now free to expend those funds. It's obviously
2 challenging for us given that we don't have the staff or
3 people or wherewithal to do that.

4 We've asked Michael from the Downtown Partnership
5 to make a proposal to us that would maximize the use of
6 those funds. Mark and I have gone back to the settlement
7 agreement. Anything we do or they do does require a City
8 approval. So we can't go plant a tree without the City
9 concurring that that's the tree they want to plant and where
10 they want to plant.

11 So this is the probably a tri-party challenge,
12 even though there's a settlement agreement in place.

13 And, Michael, you have a very specific proposal.

14 I might mention that the Downtown Partnership is
15 currently responsible for our Streetscapes. All the work
16 that you see Downtown -- whether it's planted in the
17 planters, trees that suddenly appear, painting of the curbs,
18 power washing the streets, the extension of the sidewalks --
19 that all rests currently with the Downtown Partnership. So
20 Mr. Keith knows more about our Streetscapes than probably
21 anybody in the community.

22 So, Michael, introduce yourself and launch away.

23 MR. KEITH: Thank you.

24 My name is Michael Keith. I'm the CEO of the
25 Downtown Tucson Partnership. I'm speaking loud because I

1 think Jannie is having problems hearing.

2 Jannie, can you hear me?

3 MS. COX: I can hear you. Thank you.

4 MR. KEITH: You're very welcome.

5 I'm here today with Chris Kaselemis, the program
6 manager for the Economic Initiatives Office of the City of
7 Tucson.

8 Chris?

9 MR. KASELEMIS: Right here.

10 MR. KEITH: Thank you.

11 With Jason Kuklinski from Norris Design. And from
12 Elaine -- with Elaine Becherer who you all know very well
13 from the City manager's office.

14 We're here to present a proposal on streetscape
15 improvements for Downtown Tucson.

16 CHAIRMAN McCUSKER: Give us a minute to get it up.

17 MR. KUKLINSKI: Do you have the jump drive,
18 Michael? Apparently it's not showing up.

19 MR. KEITH: No. I actually went back up for it.
20 I was halfway down the hallway and I realized I didn't have
21 it in my pocket.

22 MR. HILL: Do we have some pictures?

23 MR. KEITH: Yeah. You've got it -- you've got
24 some of this. I think it's a little bit better . . .

25 So while they're looking for this, let me tell you

1 a little bit about the Partnership. The Partnership has been
2 contracted for the last 19 years to -- I'm sorry -- for the
3 last 15 years to be the provider for the business
4 improvement district downtown. We're charged as acting as a
5 catalyst for the redevelopment of downtown. We do Clean &
6 Safe, all the maintenance and the security. We do economic
7 development, festivals and events, advocacy, and marketing
8 and PR for Downtown.

9 Let's see if we can get caught up on our slides
10 here.

11 The Partnership, like many BIDs across the
12 country, has taken a very active role in trying to define
13 downtown Tucson through its streetscape and its public
14 spaces. In 2007, we quarterbacked the infrastructure and
15 streetscapes study, a 200-and-something page report that we
16 put out in a hundred days with \$40,000 of Partnership money.
17 In that study, was about 60 pages of a block-by-block
18 analysis of Downtown Tucson including its streetscape plan.

19 If you see the photo in front of you, the one up
20 on the screen, that is a Rob Paulus design showing the
21 Congress at corner and -- at Fifth. But that was a level of
22 finish that we had proposed in 2007. A \$53-million contract
23 with Archer Western was initiated because of the study that
24 we did. And the Scott Avenue streetscape which you can see
25 in the slide here -- not very well; it's a little dark --

1 was the results of that -- that study and the subsequent
2 contract to Archer Western.

3 The Partnership was the lead on that project along
4 with the City of Tucson.

5 Next slide.

6 Actually go back one, Jason.

7 In 2012, the other slide that's on there is the
8 Toole Avenue streetscape improvements that was led by the
9 Partnership. We brought 20 organizations, including the
10 City of Tucson that we were partnered with, and 120
11 volunteers on a Saturday morning and planted up two blocks
12 of Toole Avenue, completely landscaped it and art-scaped it.
13 And if you've been down there lately, you've seen it's a lot
14 more lush than this photo.

15 Next slide, please.

16 We've also did Jacome Plaza. And when Glenn
17 Lyons, my predecessor was here, he looked at that plaza and,
18 along with Parks and Rec, redid that plaza. And of course,
19 just recently, we also did the beach, which was a pop-up
20 park and beach for \$19,000 of privately raised money over on
21 the MLK lot.

22 Additionally, the Partnership administers the
23 facade program. And to date, we've done eight buildings
24 Downtown including The Screening Room, Chicago Store, and
25 the building that the Providence Corporation is in.

1 And we continue to work with the City. The
2 streetscape standard for Downtown that was put in during the
3 streetcar construction was also designed by the Partnership
4 in partnership of Norris Design.

5 A quick word about Norris. I came to Norris
6 with -- on the Toole Avenue project. And they provided
7 their services pro bono for that. They also provided their
8 services pro bono for this pop-up park and helped design the
9 streetscape standard that the City has now incorporated in
10 Downtown.

11 Next slide.

12 Of course, I couldn't leave this alone without at
13 least one quote. And I tried not to do this, but I ended up
14 getting up this morning anyway. This is the rock star in
15 sustainable downtown design and streetscapes, Janette
16 Sadik-Khan from New York. I think it's a good quote, better
17 streets mean better business.

18 It's short and simple.

19 You were asking about return on investment.
20 Streetscapes have a direct correlation to economic activity.
21 And that number is anywhere from 15 to 80 percent depending
22 on the city reporting it and what was done. There's --
23 there's a no better direct correlation than an improved
24 streetscape and economic development.

25 Next slide.

1 So when we -- we put a proposal together three
2 years ago that we submitted to this Board on a series of
3 improvements up and down Downtown. And the colored graph
4 you see in front of you shows the different colors of
5 intensity Downtown, the red being the highest level of need
6 and scaling back from there. For this proposal, some of
7 this was done during construction for the streetcar. Some
8 of it was not. And some of it was subsequently done by
9 private developers.

10 What we identified for this proposal were the four
11 areas that were -- had the highest need. And we excluded
12 areas like the County lot and the Bourn lot, that are going
13 be done with new construction, as well as the site for the
14 new hotel. So the red areas are the -- are the primary
15 areas and you'll see the photographs following.

16 This is a streetscape plan. It's a little hard to
17 see here. It's actually a little hard to see on your copies
18 as well. This shows Scott Avenue from Pennington to
19 Congress. The reason for this block and starting with this
20 block, this is our highest priority, is because -- well, for
21 various factors.

22 One, it's completely dark at night.

23 It's cramped. We've had quite a bit of investment
24 on that street and on that corner. 47 Scott is there. So
25 is another Mexican restaurant. There's Cafe Poca Cosa and

1 Reilly's around the corner.

2 This is also an area of intense late night
3 incidents as people come out of the bars and go back to the
4 Pennington garage. We saw an opportunity to also increase
5 traffic to the Pennington garage as well as bringing this
6 street into ADA compliance.

7 And, lastly, this is the best corridor for
8 connecting back to Pennington. It should be our next street
9 that we see some new vitalization on.

10 Additionally, the street connects all the way to
11 the Temple of Music and Art. And the streetscape I showed
12 you earlier was that developed in 2010. And this would
13 complete the streetscape going from here all the way to --
14 to Cushing Street.

15 Next slide.

16 This gives you a little closer view. You're going
17 to see this better in the next shot. But you can see the
18 overhead festival lighting and the streetscape done to the
19 new streetscape standards, that would be the brick and
20 concrete that you'll see in a minute; some shade structures;
21 and most importantly, new lights up and down the street.
22 We'll retain the three historic light fixtures there. And
23 we'll be adding two to four new additional overhead lights.

24 Next slide.

25 So this is the street as you know it now. Most of

1 you have been down here. Anyone that's parked in the
2 Pennington garage has seen this. It's narrow. It's
3 cramped. It's not in ADA compliance. And this is what we
4 propose to do.

5 So the area to the right, you can see the
6 streetscape standard where the woman is walking. You can
7 see bike racks. The entire left side of the picture, the
8 west side of Scott will be bumped out. We will eliminate
9 the parking spaces there.

10 But further up, as you get closer to Pennington,
11 we're maintaining an area for pick up and delivery area.
12 That's actually a rolled curb with bollards that will allow
13 trucks to come and park, people to walk as many as six
14 abreast when there's not vehicles there. You can see the
15 trees and the overhead lighting and the planters full of
16 plants.

17 TREASURER SHEAFE: You know, when you add all the
18 landscaping, what is the mechanism that will keep that . . .

19 MR. KEITH: Yeah. Thank you, Chris.

20 We plan to actually introduce the drip irrigation
21 on this street, as well as providing electrical boxes at the
22 base of those new trees we're planting so we can bring
23 lights up into the trees. On the new light fixtures that
24 you see, the poster there, we'll also have an electrical box
25 up at the top of that so we can do holiday lights up there.

1 And then the planters themselves will be on drip
2 systems. But we're currently -- we currently have 160
3 planters or planting areas landscaped downtown. And the
4 vast majority of those, probably 140 or so, we're hand
5 watering every day.

6 TREASURER SHEAFE: Is -- but what is the
7 maintenance process that would be set up to keep it going?

8 MR. KEITH: This would be administered through the
9 business improvement district, through us --

10 TREASURER SHEAFE: Okay.

11 MR. KEITH: -- through our clearing site.

12 TREASURER SHEAFE: -- funding management,
13 something to keep that underway.

14 MR. KEITH: Well, anyway, we'll be able to
15 incorporate these spaces in what we're doing now without --
16 without a problem on what we're doing now. We have the
17 funding for this right now.

18 MR. KUKLINSKI: Security cameras.

19 MR. KEITH: Ah, thank you.

20 And security cameras on those light -- on the new
21 light poles that you see, the one with the banner, there
22 will be two there. Should -- probably one on the other side
23 of the street and one further down. This also allows us to
24 monitor all the late-night incidents of people coming back
25 drunk and going to the Pennington garage.

1 The second area we identified is right -- just
2 south of this. This is between Congress and Broadway. If
3 you look straight back where those clouds are, that's the
4 section we just looked at. This is next to the Wig-O-Rama
5 space that was damaged in the fire. This is what it
6 currently looks like. We actually get them to paint that
7 building the wrong color, as it turned out, right before the
8 streetcar.

9 Next shot, please.

10 And this is what we're proposing here. These are
11 fairly simple changes. We pulled out the old concrete, put
12 in this new -- that is the streetscape standard that we
13 developed and the City has adopted. Plant out the base of
14 the trees, as you see, there instead of crates. And you can
15 see the planters along the building.

16 I like the fact that Jason came through with this
17 orange color on this building. It's actually probably a
18 good suggestion. And I'll go back to Ms. Kinney, suggest
19 that.

20 Next one.

21 This is the Broadway corridor. This is Sixth
22 Avenue -- I mean, Sixth Street -- no -- Sixth Avenue to
23 Arizona Avenue. So right past that banner you can see on
24 your left is where the hotel's gonna start. We're seeing
25 significant investment on this block. We've already had

1 Thunder Canyon Brewery and Cartel and a new Native American
2 restaurant just across the street from here. But also on
3 the left side, there's a new microbrewery. And around the
4 corner in Arizona Alley is a new distillery.

5 So this is an area that's seeing a lot of
6 investment. We'd like to improve the pedestrian activity on
7 this. And it's the same streetscape standards you saw a
8 moment ago. I don't know if we'll do anything to the
9 building that you see on the left there. I think that was a
10 little artistic touch.

11 So these are the three primary areas that we want
12 to redo the hardscape and the softscape on.

13 Jason?

14 The next item was a \$25,000 set aside for Arizona
15 Alley. As you know, on the left side, the back of that
16 picture is where the new hotel is going. On the right side
17 there, where you can see the dirt, is the parking -- it's a
18 new patio for Gibson market. Right past that is where the
19 distillery is going in. And around the corner, on the end
20 there, is where the new microbrewery is going in.

21 So we see the potential here for a
22 bikeable-walkable corridor. And so we've set \$25,000 into
23 this budget to apply to taking down those overhead poles,
24 but only if the City and Rio Nuevo and the developer can
25 conclude their negotiations and decide that this is the best

1 end-use for this corridor.

2 CHAIRMAN McCUSKER: Where do the dumpsters go,
3 Mike?

4 MR. KEITH: They're going to go into the hotel
5 parking lot. And that should clear up the street as well.

6 But here's our take on what this could look like.
7 Jason?

8 This is something that -- this is something that
9 we wanted for so long on the street. I don't know how
10 practical this will be because there will be traffic on
11 here, perhaps two lanes. But I don't know about you guys,
12 but every time I go to a city and find one of these little
13 hidden enclaves that have this kind of activity in them, I'm
14 thrilled to death.

15 Next slide, please.

16 In addition to that, we wanted -- we wanted this
17 to be a fully flushed proposal, so we looked at other ways
18 that we might make an impact Downtown, around the convention
19 center, and to the West Side.

20 So we looked at everything from banner programs --
21 we'd like to see the West Side have their own banner
22 program, work with TPAC and design their own images. We
23 would like Rio Nuevo and the City to look at the convention
24 center area and design your own set of banners for the
25 convention center and around the convention center, create

1 your own identity. We'd like to flush out the banners we
2 have Downtown with additional images.

3 But if you look at these little images here and
4 there, they're pulled from travel slides of mine from
5 various places. These are the kind of things that you
6 always end up taking photos wherever you go and coming back
7 and showing people, oh, look at this cute little aardvark or
8 the -- particularly, like the ones up on the top, the second
9 one from the right. That's actually just a chalk drawing on
10 there. It just looks like it's a floating rug.

11 But all of these, these aren't up here meant for
12 us to copy as much as what can we do to provide an
13 additional boost throughout the District. So there's a
14 whole host of suggested additional items that we hope to be
15 able to do within this budget as well.

16 Jason?

17 This is just more of the same, a little bit more
18 on the amenities side.

19 Next slide.

20 So here's the budget. I think you can see it
21 better on your sheets rather than this one.

22 So right now, since we don't have the benefit of
23 going off the competitive bid, Norris Design did take the
24 latest figures based on the projects they're doing right now
25 and plug them into the first section.

1 So the larger box at the top shows Scott Avenue,
2 Pennington to Congress. We don't have every detail in here.
3 There's actually some tabs underneath most of these line
4 items. We wanted to give you an idea that this was a
5 full-street renovation. We're going right down to changing
6 the draining on that street, to extending storm drains, to
7 extending sidewalks, to landscaping, to milling and repaving
8 the street.

9 This will be the most challenging out of
10 everything we've should shown you because of all the hidden
11 and unknown areas underneath this particular section of
12 Downtown. John Wesley Miller's building on the corner
13 actually extends all the way under the sidewalk. Their
14 basin under there. But we feel fairly good about these
15 numbers. But we won't know the exact number until we go out
16 for a competitive bid.

17 You'll also notice at the bottom of that first
18 section, the 20 percent contingency. So on top of all of
19 the hard costs that we have, and soft costs, there's another
20 \$77,000 in contingencies on that one line item alone.

21 The next two items are the other two sections I
22 showed you, the area in front of Wig-O-Rama and the Broadway
23 area for 33,000 and 58,000. The \$25,000 set aside for
24 Arizona Alley. And then, the remaining number at the
25 bottom, \$90,000 or so, for miscellaneous things like public

1 art, information kiosks. And this is something I did want
2 to pull to your attention.

3 This was a proposal we had hoped to do during
4 construction of the streetcar. So when you get off the
5 streetcar, you can go to an electronic touch screen, and you
6 can see what's happening up and down the entire four-mile
7 corridor, where the music's happening, what restaurants are
8 offering specials that night, maps, other information.

9 We'd like to do a pilot program, probably do that
10 right outside the Pennington garage. So as you come out of
11 the garage, the first thing you can do is check and see
12 whats happening. Once you've done the initial install, the
13 systems pay for themselves in advertising. Might even do a
14 second one on the West Side as well.

15 I talked about everything except for the solar
16 lights on Toole Avenue. As I think Fletcher knows quite
17 well, Toole Avenue is the darkest and probably most
18 dangerous sections of Downtown right now. And we have
19 contacted the solar company that put up the two solar lights
20 at Tumamoc.

21 At the base of Tumamoc Hill, a company called Nova
22 Solar [phonetic] donated two solar lights. And the
23 Partnership -- one up with Carondelet, and they have
24 installed those two lights. They put out a pretty nice even
25 light, so we were proposing at least three solar lights on

1 Toole Avenue as part of this.

2 CHAIRMAN McCUSKER: So, Michael, as you bid this
3 out, would you do it in phases, so the first project would
4 be Scott, Pennington to Congress; so if that comes in at 650
5 grand, you would -- you would adjust the other projects?

6 MR. KEITH: Correct. Having Elaine on this team,
7 as you well know since you've worked with her, we'll be able
8 to do this as efficiently and professionally as we can. We
9 will bid this out. We may use the City's procurement --
10 fast procurement system. But we will get a scope of work,
11 and we'll know exactly what's leftover on this for the rest
12 of the sections.

13 CHAIRMAN McCUSKER: Mr. Collins, structurally, we
14 would contract with the Downtown Partnership, approve a
15 budget, and then monitor that? How do you envision it
16 working?

17 MR. COLLINS: Mr. Chairman, Members of the Board,
18 my thought process is that we have a tri-party agreement
19 among the City, the District, and Downtown Tucson
20 Partnership. The City has to approve any of the
21 expenditures -- as you pointed out, Mr. Chairman -- and
22 comply with all of our procurement requirements, City
23 requirements. And to make sure that the resulting process
24 is transparent, and we can follow all the dollars, that
25 would be my suggestion.

1 CHAIRMAN McCUSKER: Mr. Moore?

2 MR. MOORE: Yeah. Question. Is there anyway on
3 this street map that you have, I'd like to see a list of the
4 tenants who are users of the property and owners.

5 MR. KEITH: Sure.

6 MR. MOORE: Because, you know, I'd like to see
7 where maybe some of them could be participating in this
8 based on --

9 MR. KEITH: I think the best we're going to be
10 able to get is their agreement that we're going to be doing
11 this work, closing down the street, at least on the one
12 section of Pennington. I think it's -- we're going to need
13 their cooperation. I'm not sure -- we are going to approach
14 one of the building owners about painting -- repainting his
15 building as part of this. But, yes, I --

16 MR. MOORE: Maybe you're not. But it seems to me
17 that we should have an understanding of who the properties
18 owners are that are going to the benefit.

19 MR. KEITH: Sure. Yeah. I will get --

20 MR. MOORE: Obviously, these are all improvements
21 that are benefiting their business.

22 MR. KEITH: My -- well, it's actually -- yes. You
23 are absolutely right about that. But it's also providing
24 this walkable environment for the 1.1 million visitors that
25 come down. And that's -- that's just for the festivals and

1 events.

2 MR. MOORE: But that's to their advantage as well.

3 MR. KEITH: That's true.

4 MR. MOORE: I'd just like to know that.

5 MR. KEITH: Sure. Yeah, absolutely.

6 MR. RITCHIE: Going back to what you said earlier,
7 they are the ones though that are paying for the maintenance
8 so --

9 MR. KEITH: They are paying for the --

10 MR. RITCHIE: -- whatever we do, the businesses
11 that are currently Downtown -- I think that's an important
12 point to remember -- we're not relying on the City of Tucson
13 to maintain the downtown.

14 MR. KEITH: Right.

15 MR. RITCHIE: Okay. So --

16 MR. KEITH: So, Alberto, our money comes from five
17 sources. One is from the enhanced services agreement we
18 have with the City. It's basically their version of the
19 BID. One is the business improvement district with the
20 property owner, the one you mentioned. Another is with the
21 County that gives us in lieu payments.

22 CHAIRMAN McCUSKER: Their BID is by frontage fee
23 on the revenue? How does the BID work?

24 MR. KEITH: Yeah. The BID is a formula based on
25 square footage and frontage. It's applied equally to all

1 the businesses Downtown that are within the business
2 improvement district.

3 And then our -- we actually have raised, probably
4 by now, close to \$600,000 over the last four years from our
5 board members and private donations. So all of that money
6 goes back into Downtown. So it's a really interesting
7 leverage position. Anytime we do anything, we're providing
8 these funds from different places and different --

9 MR. MOORE: Does parking come into that?

10 MR. KEITH: Thank you. Because actually I forgot.

11 I wanted to mention that a good portion of our
12 budget is that we have the ParkWise contract to administer
13 all the cashiers, maintenance, and security for all the
14 garages and lots. And so -- yeah. So we're already
15 getting -- we already have a public-private partnership
16 going into this. And it's these kinds of leveraged deals
17 right now that are making Government work, in my opinion.

18 Yes, sir?

19 SECRETARY IRVIN: First, Michael, thank you for
20 all your efforts as always.

21 I've got a question actually for Mark Collins.

22 MR. KEITH: Sure.

23 SECRETARY IRVIN: Counsel, if I recall -- and I'm
24 a little fuzzy on this, but I remember we had something in
25 an agreement on some streetscape improvements that we need

1 to do across the street on the MLK. Can you refresh me on
2 that?

3 MR. COLLINS: There were several motions made,
4 many years ago, before the legislature took the District.

5 I don't have that analysis in front of me. But
6 they have to do with the -- and just like you say, the MLK
7 Building. And there was several motions on that subject.

8 Does that help?

9 SECRETARY IRVIN: Well, and I guess my concern
10 with that is, is -- you know, and, Michael, maybe chime in
11 on this as well -- if there is some contingent liability
12 that's associated with that, it would seem like we would
13 want to try to absorb that in this.

14 MR. COLLINS: I would concur with that. Yes, I
15 agree.

16 SECRETARY IRVIN: Okay.

17 CHAIRMAN McCUSKER: The owners have not pressed
18 that, however, right? It seems to be abandoned to me.

19 MR. COLLINS: Yeah. I haven't heard that
20 recently, that being pressed.

21 CHAIRMAN McCUSKER: And how do we confirm that? I
22 guess we got to go -- I guess, who's the agreement with, the
23 City or the developers?

24 MR. COLLINS: It would be a three-way agreement.
25 I believe it's a -- if there is an agreement, it's three

1 parties. It'd be the District, the City, and I believe
2 Scott Stiteler's in it.

3 MR. KEITH: Before we get too far out here, I
4 would like our partner here, Chris Kaselemis, to chime in
5 here as well since I stole the whole show.

6 MR. KASELEMIS: Thank you, Michael.

7 And thanks, Chairman and the Board Members.

8 I just want to get on the record that we've met
9 several times internally to come up with the projects we
10 felt, from the City's perspective --

11 CHAIRMAN McCUSKER: Give the transcriptionist your
12 name.

13 MR. KASELEMIS: I'm sorry. Chris Kaselemis. I'm
14 the economic development director of the City of Tucson.
15 Sorry. I work for the City Manager's Office.

16 We've had several internal meetings to figure out
17 what we thought would be the best impact and the areas of
18 the greatest need. And we concur with Michael. We've also
19 had several meetings with him before this meeting. We
20 concur that Scott Avenue is the area of greatest need.

21 The Scott public infrastructure's got ADA issues.
22 It's got safety issues. And we agree that, to pick one area
23 we could have a large impact is important, and then take the
24 remaining money -- if there is money; and we think there
25 will be -- to kind of spread it around Downtown for some

1 other projects to kind of spread impact around.

2 And just also to get on the record, again, my
3 area's economic development. And as you guys know, Downtown
4 is important. When we go around talking to companies
5 thinking about coming here, they want to make sure that we
6 have a vibrant Downtown core and improved streetscapes,
7 house -- bring investment to Downtown. We always know that
8 private dollars follow public investment. So this is
9 another example of putting a public investment that will
10 bring additional dollars and additional revenue to
11 Rio Nuevo.

12 In terms of -- I don't think Michael mentioned
13 this. He kind of did a little bit. But in terms of
14 managing this project, we propose to comanage it with the
15 Downtown Partnership. We're not going to take a fee for
16 that. We're going to assign Elaine Becherer, who you know
17 very well, to be our project manager on our end. And
18 Michael will take care of the Downtown Partnership's end.
19 So I think that it's a pretty dynamic duo to make sure
20 things are done to the satisfaction of the Rio Nuevo
21 District.

22 CHAIRMAN McCUSKER: Mr. Irvin?

23 SECRETARY IRVIN: I'd like to make a motion that
24 we put this on our agenda for the 17th meeting to allow
25 counsel time to take just a quick snapshot on the contingent

1 liability issue that I mentioned because we haven't
2 revisited it in a long time. And I just would like to make
3 sure that we're in a situation where -- you know, we know
4 we're going to spend the money. But I just want to make
5 sure that that's a piece that's out there that we just make
6 sure we look at that so we don't overlook it.

7 MR. KEITH: Could you explain that to me again? I
8 was only --

9 SECRETARY IRVIN: I have to go back and look at
10 stuff. And obviously counsel will have to as well. But we,
11 somewhere -- I just remembered a document that there was
12 some liability that we'd agreed we're going to do X, Y,
13 and Z and spend a certain amount of money on basically where
14 the beach is.

15 And so I just -- I just want -- first off, just so
16 we're clear, I think what you've done is phenomenal. My
17 only concern is that one little piece. And if we do have
18 some contingent liability, we -- I just might want to have
19 you look at that to see, you know, I mean, apart from these,
20 what those numbers are.

21 MS. COX: And I would like to just support what
22 Mark is saying because I do think there's a high potential
23 that we still have that liability. And I assume -- I assume
24 that Mark Collins can confirm that before the 17th. And
25 then we could make a decision based on that information. I

1 think that's important.

2 MR. COLLINS: Jannie, Mark Collins here. I can
3 certainly do that.

4 Mr. Irvin, I will do that.

5 MR. KEITH: I'm a little confused about what --
6 how that plays back into these projects which are not on the
7 MLK lot.

8 CHAIRMAN McCUSKER: The -- it's a settlement that
9 predates the settlement with the City around the Stiteler
10 property and the commitments that were made to him.

11 MR. KEITH: Okay.

12 CHAIRMAN McCUSKER: One of the commitments was to
13 improve the streetscape in and around the MLK and the Depot
14 Garage.

15 MR. KEITH: You don't think the beach was an
16 improvement?

17 CHAIRMAN McCUSKER: The beach was --

18 SECRETARY IRVIN: A great improvement, actually.

19 MR. KEITH: I think we're done.

20 CHAIRMAN McCUSKER: There's been no --

21 MR. KEITH: And it was all privately raised.

22 CHAIRMAN McCUSKER: There's been no subsequent
23 conversation about the District's liability to that. It was
24 made prior to any of us, in fact, being on the Board. And I
25 think I would make a case that they're probably separate

1 dollars. This is a commitment we made to the City in a
2 settlement. And, you know, if we owe some money to
3 Stiteler's project that may be separate. But I think we
4 need to find that out.

5 MR. KEITH: So could part of this be that you have
6 to make some improvements around there in concert with what
7 he wants to build or just in general?

8 SECRETARY IRVIN: Well, you know, I think I -- to
9 be honest with you, Michael, I'm so fuzzy on it because it's
10 been, I think, three or four years since we've -- since I've
11 looked at it. I just can't -- maybe even four years since I
12 looked at it.

13 I just remember it was something that was out
14 there. It may be completely moot. But I just think, you
15 know, before we make a decision -- and I don't even know
16 what the number is. Let's just say it was \$30,000, I'd like
17 to see that \$30,000 included in the overall proposal rather
18 than having that thing hanging out there.

19 MR. KEITH: All right.

20 SECRETARY IRVIN: So I just -- that's the reason
21 I -- I'm not against it. I just want to make sure that
22 we're making an informed decision.

23 MR. KEITH: And let me add one more little piece
24 to this because I didn't mention it before. We didn't put a
25 fee in -- an administrative fee for the Partnership in this.

1 I was going to suggest that if we can pull off the
2 vast majority of this tier in our satisfaction, that a fee
3 be -- a 5 percent fee be added on to this amount. And I
4 think I'm going to wait now to hear what this other
5 settlement is. But I did want to bring that up.

6 We're in this to make sure that this gets done to
7 my standards and your standards and the City's standards.
8 And we would like it to be a performance-based
9 administration fee. So if we do not perform or we do not
10 make whatever the benchmarks are, then we don't get paid.

11 CHAIRMAN McCUSKER: And when you look at the
12 renderings, I believe the money that was spent on Scott from
13 Broadway to Cushing was like \$4 million.

14 MR. KEITH: It was.

15 CHAIRMAN McCUSKER: And you're doing three streets
16 for \$750,000.

17 MR. KEITH: Yeah. It's a different level of
18 everything. It's not as long. And that's actually -- if
19 you compare it apples to apples, it's probably four times
20 the length. We're only doing one side of Scott and only
21 doing one side of Broadway.

22 CHAIRMAN McCUSKER: It's unbelievably inexpensive,
23 the work that you're doing.

24 MR. KEITH: Yeah. It's -- well, we'll find out
25 when we're -- when this is competitively bid, we'll know

1 exactly where --

2 CHAIRMAN McCUSKER: So we're tabling the item
3 until we get some more information.

4 SECRETARY IRVIN: I think I've made a motion. And
5 I think, unless I misunderstood Jannie, I think she -- I
6 think she -- I -- my motion was just really simple, let's
7 table this until the next meeting on the 17th, put it back
8 on the agenda. Give counsel time to go and just take a
9 quick look at it, come back and advise us. And then we can
10 make a decision on it in a couple weeks.

11 CHAIRMAN McCUSKER: Jannie, did you second that?

12 MS. COX: Yes.

13 CHAIRMAN McCUSKER: All right.

14 Mr. Moore?

15 MR. MOORE: Yeah. Just a quick -- Mike, wasn't
16 that also -- remember when we were talking with the Rialto
17 regarding that alley? Wasn't that alley also --

18 MR. KEITH: Herbert. Herbert alley.

19 SECRETARY IRVIN: Yeah. That's Herbert alley.

20 No. That was -- that -- that's a -- that was a
21 whole --

22 MR. MOORE: Was that separate?

23 SECRETARY IRVIN: -- a whole separate issue.

24 Right.

25 I mean, it's been so long since I've looked at it,

1 I just would like to make sure that --

2 CHAIRMAN McCUSKER: All right. We have a motion
3 to table and a second.

4 All in favor, say aye.

5 (Ayes.)

6 CHAIRMAN McCUSKER: Any opposed, nay.

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

9 MR. KEITH: Would you know, is there any other
10 format that you want this or any additional information
11 before the next meeting?

12 CHAIRMAN McCUSKER: Mr. Moore, who lives where.

13 ATTENDEE: We'll provide that. Thank you very
14 much.

15 CHAIRMAN McCUSKER: Thank you, Mike. Nice job.

16 I think that concludes the agenda except for the
17 call to the audience.

18 Michele, any cards?

19 I'll entertain a motion to adjourn.

20 SECRETARY IRVIN: So moved.

21 CHAIRMAN McCUSKER: All in favor, say aye.

22 (Ayes.)

23 CHAIRMAN McCUSKER: See you on the 17th.

24 (The meeting concluded at 4:43 p.m.)

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C E R T I F I C A T E

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

John Fahrenwald