

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona  
October 23, 2013  
1:00 p.m.

REPORTED BY:

John Fahrenwald

---

KATHY FINK & ASSOCIATES

2819 East 22nd Street

Tucson, Arizona 85713

(520)624-8644

1 (Meeting commenced at 1:07 p.m.)

2 CHAIRMAN McCUSKER: So Mr. Sheafe, we know, is  
3 late. I will call the meeting to order. I lost the clock.

4 MR. COLLINS: 1:08.

5 CHAIRMAN McCUSKER: So we're called to order down  
6 there, you all.

7 Dan, as the newbie, you have to lead the pledge of  
8 allegiance. Seriously.

9 (Pledge of Allegiance recited.)

10 CHAIRMAN McCUSKER: Michele, will you call the  
11 roll?

12 MS. BETTINI: Alberto Moore?

13 MR. MOORE: Here.

14 MS. BETTINI: Jannie Cox?

15 MS. COX: Here.

16 MS. BETTINI: Mark Irvin?

17 SECRETARY IRVIN: Present.

18 MS. BETTINI: Fletcher McCusker?

19 CHAIRMAN McCUSKER: Here.

20 MS. BETTINI: Cody Ritchie?

21 MR. RITCHIE: Here.

22 MS. BETTINI: Chris Sheafe is on his way.

23 CHAIRMAN McCUSKER: And Jeff Hill is excused.

24 The first item on the agenda is the minutes. They  
25 are transcribed and we've all seen them.

1 I entertain a motion to approve.

2 SECRETARY IRVIN: So moved.

3 MR. RITCHIE: Second.

4 CHAIRMAN McCUSKER: Motion and second to approve  
5 the transcription from September 5th. All in favor, say  
6 aye.

7 (Ayes.)

8 CHAIRMAN McCUSKER: Any opposed, nay.

9 Motion carried. They are approved and can be  
10 posted.

11 We're scheduled for Executive Session -- for the  
12 people in the audience -- we're scheduled for 60 minutes.  
13 It might not take that long. I wouldn't disappear too far,  
14 but we'd need a motion to recess to Executive Session.

15 MR. MOORE: So moved.

16 MS. COX: Second.

17 CHAIRMAN McCUSKER: All in favor, say aye.

18 (Ayes.)

19 CHAIRMAN McCUSKER: See you in a few minutes.

20 (The Board adjourned to Executive  
21 Session at 1:10 p.m.)

22 (Meeting reconvened at 1:59 p.m.)

23 CHAIRMAN McCUSKER: Good afternoon, everyone. I  
24 would need a motion to reconvene.

25 SECRETARY IRVIN: So moved.

1 MS. COX: Second.

2 CHAIRMAN McCUSKER: All in favor, say aye.

3 (Ayes.)

4 CHAIRMAN McCUSKER: Any opposed, nay.

5 Thank you, everyone. A nice crowd today. If I  
6 can, let me just take a couple of minutes to kind of set the  
7 stage for today's agenda.

8 This is a very productive time for Rio Nuevo as  
9 you can kind of tell by the items in front of us. We'll  
10 hear from Elaine today and the TCC team about the selection  
11 of a contractor to begin the work on our \$7.8 million  
12 remodel of the Arena.

13 I'm pleased to report -- I think everybody that  
14 follows us knows this -- that we are officially out of the  
15 lawsuit business having now either won or settled all of the  
16 litigation we were involved with.

17 We did settle the Garfield Traub claim for a  
18 quarter of a million dollars. That was a \$2 million  
19 lawsuit. They also dismissed the personal defamation claim  
20 against two prior Board Members who were probably trying to  
21 be held personally responsible for comments that they made  
22 while sitting members of the Board. Another piece of good  
23 news there is there's \$440,000 left in this 2009 bond fund.  
24 So we actually can tap into that for that settlement. So we  
25 will not have to use TIF proceeds for the Garfield Traub

1 settlement.

2           The City Council did agree with the Bourn  
3 settlement, finally. It took some time. But you see Don  
4 here today. We're actually going to see his first  
5 impressions of what might happen on that block. He's been  
6 handcuffed with this litigation for some time because he  
7 didn't have clear title if Rio Nuevo was making a claim  
8 against that property. He's now in full-speed-ahead mode to  
9 develop.

10           We ended up there with what we might have gotten  
11 if we argued our way through a foreclosure case -- is if the  
12 developer's not successful, Rio Nuevo would get the property  
13 back. So I think that's a great deal for the taxpayers and  
14 for the District as well. So we're in the development  
15 business.

16           We're working on the Arena Lot. We're going to  
17 talk about that today. We've got engineering going on on  
18 the West Side. We'll talk about that today. I can confirm  
19 that the City and County have agreed to share in the Urban  
20 Land Institute study that's been commissioned for the West  
21 Side properties. I believe they're actually trying to  
22 schedule that in November, whether you or I will bring a  
23 team of people to Tucson and meet with a variety of  
24 stakeholders and make recommendations to all of us about the  
25 highest and best use for those properties.

1           It's the first time since I've been involved with  
2 Rio Nuevo that we've had a tri-jurisdictional agreement that  
3 involves the City, County, and Rio Nuevo. So you should be  
4 -- as I am I hope -- optimistic that these jurisdictions can  
5 actually come together with something that makes sense and  
6 is doable and affordable on the West Side.

7           So we have our auditors today. Last year we  
8 didn't finish the audit I don't think until February. So  
9 you know, things are looking up for the District.

10           With that, let me kind of get Dan up here first.  
11 There's a lot of things we're going to talk about today that  
12 involve money. So I thought it would be good to kind of  
13 start with where we are.

14           Dan, if you'd go ahead and take the podium.

15           For those that do not know Dan Meyers, Dan is the  
16 new CFO for the District -- replaced Bill Allen and  
17 literally has not missed a step in keeping us up to speed  
18 and properly accounted for.

19           So, Dan, I think we have your report; and Michele  
20 set some out for the public. Go ahead.

21           MR. MEYERS: Okay. Well, we've got all the  
22 balances reconciled as the September 30th. And we currently  
23 have 5,108,000 approximately in our Alliance Bank business  
24 account. And we've got another 5,003,000 in another account  
25 at Alliance bank. And, Bank of Tucson, we've got

1 approximately 168,000.

2 And then with our pool of funds with the City of  
3 Tucson, there's \$4.26 million sitting in that account as of  
4 September 30th.

5 Questions?

6 CHAIRMAN McCUSKER: The \$7.8 million that we  
7 committed to the TCC, the first 4.26 of that would come from  
8 the OA bond funds. So the first 4 million and change that  
9 we're going to spend comes out of that. And I guess the  
10 remaining three and a half million dollars comes out of our  
11 general funds, right?

12 MR. MEYERS: Correct.

13 CHAIRMAN McCUSKER: Okay. So we will deplete the  
14 bond money through the TCC project and spend -- call it  
15 another three and a half million -- of TIF funds, Rio Nuevo  
16 funds, on the Arena project?

17 MR. MEYERS: That's correct.

18 CHAIRMAN McCUSKER: Leave you a little under  
19 \$7 million in the bank. Of that 7 million, we've committed  
20 1.1 million to the Mission Gardens and \$750,000 to  
21 streetscapes. So that's 2 million of that that would go  
22 toward those projects.

23 Any questions of Dan while he's standing up there?

24 Any questions about where the money is or isn't?

25 MS. COX: Just nice to know what it is and where

1 it is.

2 MR. MEYERS: Thank you.

3 CHAIRMAN McCUSKER: Thank you, Dan.

4 Beach is here, Jim Lovelace, to give us an update  
5 on the annual audit.

6 MR. LOVELACE: Very well. Mr. Chairman, Members  
7 of the Board, we appreciate the opportunity yet again to  
8 stand before you and tell you that we are prepared to issue  
9 a clean opinion. So might I add, congrats. That's two  
10 years in a row.

11 A couple of -- I'll just say loose ends; nothing  
12 to prevent us from moving forward and issuing. As of this  
13 morning, we had one open item. But in realtime, folks, even  
14 that has been resolved literally before this meeting. So we  
15 have no open items.

16 Legal counsel will be encouraged to know that if  
17 we can clear the representation letter and update our  
18 subsequent events, the attorney letters are even effective.  
19 So folks, in orderly fashion, we would appreciate the  
20 opportunity to resolve those very readily and buy in an  
21 issue at your pleasure.

22 So that's our report. Any questions?

23 MS. COX: Wow.

24 TREASURER SHEAFE: Has Dan been brought up to date  
25 on the audit?

1           MR. LOVELACE: Excellent question. We have even  
2 done what we refer to as a post-closing trial balance and  
3 reconciled the internal books with the draft statements of  
4 record. Okay? And we have met with Dan and brought him up  
5 to speed with our -- I'll say our working papers and our  
6 documentation as well, so...

7           TREASURER SHEAFE: We've got to sign for the rep  
8 letter?

9           MR. LOVELACE: Yes, sir. And you would be one  
10 signature of record, both you and the Chairman.

11          TREASURER SHEAFE: Yeah.

12          MR. LOVELACE: And, Mr. Chairman, have we  
13 forwarded you that rep letter for signature? If not, I can  
14 get that.

15          CHAIRMAN McCUSKER: I've not seen my copy of it.  
16 Have you seen a rep letter, Chris?

17          TREASURER SHEAFE: No. That's why I -- I wanted  
18 to confer with Dan when we did.

19          MR. LOVELACE: Sure. Before this morning we  
20 thought we had an open item. But I -- in realtime, we  
21 resolved that just this morning. So that puts it in a  
22 position to release the rep letter.

23          CHAIRMAN McCUSKER: Have we penciled in a special  
24 meeting on November 5? We have a lot of issues that we  
25 can't decide on today, so it's likely we could present the

1 draft for Board approval final by that meeting.

2 MR. LOVELACE: Okay.

3 CHAIRMAN McCUSKER: So we'll work with you on the  
4 rep letters between now and then.

5 MR. LOVELACE: Very good.

6 If there's no other questions, thank you.

7 CHAIRMAN McCUSKER: Thank you.

8 MR. RITCHIE: Thanks, Jim.

9 CHAIRMAN McCUSKER: Jim, while you're there,  
10 anything you want to highlight about this audit? Last  
11 year's audit was challenging, to say the least. It was  
12 months late. There were a lot of adjustments. I'm  
13 assuming, from your nonchalance, that's not the case?

14 MR. LOVELACE: Want to make sure who's in the room  
15 with me here.

16 CHAIRMAN McCUSKER: Any highlights you can mention  
17 while you've got everybody's attention?

18 MR. LOVELACE: Sure. By definition, the fact that  
19 here it is and October hasn't even lapsed is a fairly good  
20 indication that this year went much smoother, even in light  
21 of a transition of a financial offer.

22 I will tell you that there were some closing  
23 entries. For folks who have inquiring minds, it had to do  
24 with the titling of the land and our taking legal ownership  
25 of those properties from the City of Tucson. And so

1 consequently the unaudited yearend books did not reflect  
2 that. Those have been recorded.

3           And again, there was not a prevailing challenge  
4 like there has been, I'll say, in most recent prior years.  
5 Again, there are disclosures regarding the fact that some of  
6 those items have been resolved in the current year. So  
7 again, I would encourage folks to take a good look at those  
8 footnotes.

9           But it would sure seem, from my perspective, that  
10 the challenging times are behind us just from an annual  
11 recurring audit engagement. That doesn't mean that there's  
12 not year-in and year-out issues that won't raise their --  
13 won't raise concerns or questions or challenges. But it's  
14 more recurring engagement work. It would be hopeful that --  
15 in each and every year, that we're not looking at, you know,  
16 headwinds and transactions that just are real difficult to  
17 audit and document.

18           And so we believe most of that, again, presumably  
19 is behind us. And we too congratulate the District and look  
20 forward to hearing it's a mission accomplished each and  
21 every subsequent year. But you know, the current Board, the  
22 prior Board, there's been a lot of work to get to this  
23 point, so...

24           CHAIRMAN McCUSKER: I think you told me that the  
25 Auditor General actually audited your audit work of us last

1 year?

2 MR. LOVELACE: Typically that's not something that  
3 you talk about, but I'm happy to share that with folks. I  
4 can plead the Fifth, I suppose. And there are occasions  
5 where I'm professionally bound not to talk. Okay? But  
6 that's not your question.

7 In the world of CPA world who audits the auditors,  
8 and we go through a triannual audit. But because your  
9 financials roll up to the state coffer as well, they have a  
10 right contractually to review our working papers. And so  
11 that's a little different situation. And in the current  
12 year, they did review our work papers, and they give us a  
13 clean review. Okay?

14 I'll tell you, you know, even I wonder sometimes,  
15 it's like, okay, so I have the power of the pen as an  
16 auditor, but I too have to subject myself to desk review.  
17 And they brought in two people for two days. And I can tell  
18 you, in four hours or less, they were gone and indicated  
19 very quickly that they thought our files were in order, that  
20 the documentation was complete, it was conducted in  
21 accordance to auditing standards. They had one very, very  
22 simple question, which is a firm policy, had nothing to do  
23 with auditing standards. And so we were very pleased.

24 And again, I myself will say I'm glad that's  
25 behind me as well, you know, personally and professionally.

1 But I -- after 24 years, I've been through it. And it won't  
2 be the last time. And we're happy to open up our work  
3 papers when we're contractually obligated to and in the  
4 triannual peer review. It's subject to peer review. Okay?  
5 Otherwise, we wouldn't be in the business of auditing and  
6 opining on financial records. So that's good news for us as  
7 well -- and the District, I would say.

8 So again, you know, we're happy to take any  
9 questions.

10 CHAIRMAN McCUSKER: And so we'll get a draft here  
11 shortly?

12 MR. LOVELACE: Yes.

13 And again, I would encourage folks to take a look  
14 at them. The numbers, we believe, are in good shape. But  
15 just be comfortable with the footnotes as well. Okay?

16 CHAIRMAN McCUSKER: Thanks again.

17 Anything else for Jim?

18 TCC remodel. Elaine, you're up. You've been  
19 busy.

20 MS. WEAVER: We have. Thank you, Mr. Chairman.

21 So it's good to see everybody. Hello. My goal  
22 today is to talk to you all about two things.

23 One is to give a recap of where we are in the  
24 overall process.

25 And then, two, the second will be to give you an

1 update on the budget and relate back to you the approved  
2 budget from a couple months ago and just show you where you  
3 are.

4           So what you have in front of you and what's on the  
5 screen in front of everyone is our design and construction  
6 process. And so past couple of meetings, there have been  
7 some questions from some of the Board Members, so I thought  
8 this diagram would help to depict the process of what we're  
9 doing here. And it's -- it is as easy as saying we're doing  
10 a \$7.8 million renovation of the TCC, but there's a lot of  
11 little steps between today and March 2014.

12           So the green box here is from a couple of months  
13 ago where we did programming. We had a list of the needs at  
14 the existing TCC Arena where we interviewed the TCC staff.  
15 We went through lighting needs, signage, way finding,  
16 everything that we presented to you. And it was just a list  
17 of items that they need.

18           From there, we came back to you. All of the red  
19 circles on this diagram are Rio Nuevo Board approval. So  
20 prior to moving forward with the scope of work, I came in  
21 front of you to say this is what the scope of work will be.  
22 You approved that. And from there, we moved into issuing an  
23 RFQ to hire a general contractor. That's this box here.

24           If we take one step back, after you gave me the  
25 approval of the scope of work, we have three different paths

1 moving forward.

2 One is that we have the fixed seats, which is this  
3 line here. This is the general contractor path. And then  
4 down here is the portable seats. The top and bottom will be  
5 hard bid solicitations. The center is what will be the --  
6 which is the RFQ process.

7 So the solicitation went out. It was on the  
8 street. And seven contractors submitted their proposals.  
9 And we conducted the interviews on Friday. And I'm able to  
10 share with you today the top three ranked firms.

11 From this point -- and that's where we are right  
12 now -- from there, we'll go into negotiation with the  
13 topped-ranked firm. And then prior to moving forward, I  
14 will come back to you for your approval for the  
15 preconstruction fees as well as the general contractor's  
16 overhead and profit that will be applied to the GMP.

17 So the topped-ranked construction general  
18 contractor was Concord General Contracting; the second firm  
19 was WE O'Neil; and the third firm was Mortenson. And so  
20 again, we do not have a contract with Concord yet. We are  
21 starting negotiations with them for their preconstruction  
22 fees.

23 This gray box with the dots around it, I'm trying  
24 to depict for you that that's where we currently are in the  
25 process. And my goal with this diagram is that every month

1 I will come back to you and this will be a living document.  
2 And this gray box will move to show you where we are in the  
3 process.

4 If we go all the way --

5 CHAIRMAN McCUSKER: Can you talk about them? Are  
6 they local? What's their experience in scope in these kind  
7 of projects? How much can you share about the --

8 MS. WEAVER: Well, I can share that of -- we  
9 interviewed five. And of the five, they were the top-ranked  
10 firm of the selection committee. They are a local firm.  
11 They also have offices in Phoenix as well. And they do have  
12 experience in arena work. They worked on the Fox. They've  
13 worked on renovation projects. And they had a great  
14 strategy as to how we as a team are going to work in the TCC  
15 as a fully-operational facility.

16 So their proposal was to have shift work, two  
17 superintendents. We met the superintendents. We met the  
18 project manager. And I think that they have -- they've done  
19 their homework. They've -- they took advantage of a  
20 two-hour site walk of the Arena. They did some  
21 preinvestigation work of the existing facility and the  
22 amenities. They would like to get in there and open up some  
23 walls and make sure that there's no unforeseen conditions.  
24 And so I think that they are prepared. And I know that the  
25 design team is looking forward to working with them.

1           So at the end of this center line, the far end is  
2 the large blue box, which is construction.

3           We are still targeting that construction for the  
4 general contractor, as well as the seats, will begin after  
5 the gem show, so March 2014. And I think that the message  
6 that we as a team want to portray to the community and to  
7 Rio Nuevo and the City is that it's after the Gem Show, so  
8 there's no need to panic that the construction's going to  
9 affect the Gem Show. And we will have our ducks in a row to  
10 start construction immediately.

11           So after I go into -- after I have a fee for you,  
12 I'll come back to you, which I believe will be at the  
13 special Board meeting that Mr. McCusker mentioned. And then  
14 we will go into working hand-in-hand with the general  
15 contractor.

16           They'll get the design development drawings from  
17 Swaim, from their office. They'll quickly provide an  
18 estimate for us. Swaim's office will be completing the  
19 design and the construction documents.

20           The general contractor will then work on a GMP.  
21 And then again before we start construction, I will come  
22 back to you and show you what that number is because that's  
23 a contract that you will need to approve.

24           Any questions?

25           Yes?

1           MR. MOORE: Not so much on what your plans are; I  
2 was wondering if it's appropriate to know what the City is  
3 also doing because this is supposed to be a joint  
4 redevelopment of the TCC. And so I'd like to also get an  
5 update as, what are the objectives of the City, and how are  
6 they performing and meeting their obligations?

7           MS. WEAVER: In conjunction --

8           MR. MOORE: Is there a way to --

9           MS. WEAVER: In conjunction with the 7.8?

10          MR. MOORE: Yeah. Because I understand that we're  
11 working on both the elevators, escalators, and I don't know  
12 what other things. But it would be nice to know, you know,  
13 in tracking this, what the City is doing; what their  
14 contributions are towards this -- the bigger project.

15          MS. WEAVER: Okay.

16          MR. MOORE: I think it's good for the public to  
17 know that.

18          CHAIRMAN McCUSKER: The good news is Elaine's the  
19 project manager on that.

20          MR. MOORE: Well, that's fine. But I mean to also  
21 have it so we know where it's -- how it's moving.

22          MS. WEAVER: Okay. Mr. Moore, are you asking for  
23 a recap now, or are you asking for every month for me to  
24 give you an update on what else the City is doing on the  
25 arena, or both?

1 MR. MOORE: Both.

2 MS. WEAVER: Okay. All right. So currently with  
3 the Phase I and Phase II elevator and escalator project, the  
4 City is renovating six escalators at the TCC. There's two  
5 by the admin office; and then there's four at the south end  
6 of the Arena. And that's by -- off of the Galleria.

7 We have two of those six escalators operating,  
8 fully functional. We had those working for the SAHBA Home  
9 Show. The -- another pair of escalators will be done in  
10 about a week, week and a half. And then the remaining two  
11 will be done before the Gem Show in January.

12 In addition to the six escalators, we have --  
13 we're renovating two elevators at the TCC. And that does  
14 include an elevator at the music hall. And we've also been  
15 installing a brand new stage lift for the music hall. And  
16 so I know that's not a part, legally, of the TCC. But that  
17 is included with the Phase I project. Okay?

18 So then every month, I will be mindful to give you  
19 updates on that.

20 Other than the elevator and escalator project, I  
21 know that in working with Ron Lewis, we presented to the  
22 Board the list of the City renovations and improvements over  
23 the past year, which was I think in total around 17 million.

24 And so the elevator and escalator project,  
25 Mr. Moore, that -- those were listed on that list of the

1 17 million. Does that help in answering --

2 MR. MOORE: Yeah. That's pretty good.

3 MS. WEAVER: Any other questions?

4 Okay. So the second document on the screen, it's  
5 a little hard to read. But it's just a visual to let you  
6 know where we are.

7 First, I gave you this document, which is the  
8 scope of work that was approved on June 24th. And I  
9 presented to you an actual budget going all the way through  
10 predesign, including a \$500,000 project contingency. So we  
11 had the \$105,000 for predesign. Construction documents, we  
12 had estimated at 230. The construction budget was  
13 6.7 million. Construction administration was a 140.  
14 Project soft costs -- and I'm just -- I'm going on this  
15 document here in the main headers -- the project soft costs,  
16 which include the preconstruction fees for the general  
17 contractor, \$100,000. And then, again, a project  
18 contingency of \$500,000. So this was a summary for  
19 presentation to you, the Board.

20 This next document is my internal project tracking  
21 sheet that -- any invoices that come in, any -- this is how  
22 I keep track of the overall project budget. And this was a  
23 commitment that we made to the Board, as well as to Mark and  
24 Fletcher and Bill at the time, and now Dan -- that we would  
25 be updating this document, which I update all the time, but

1 then showing it to everyone so that you just become familiar  
2 with it.

3           So what's key on this document is that -- I just  
4 wanted to emphasize that this document from June 24th --  
5 these weren't pretend numbers or made up numbers. These are  
6 the real numbers that get transferred to my budget tracking  
7 form. And you can see under -- on the far left, you have  
8 predesign, and then our subtotal of \$105,000. That is  
9 exactly what we have billed. That's what we've spent for  
10 predesign, and we're not going to spend anymore.

11           If you go to the next line item, which is  
12 construction documents, you can see the 230,000. And to the  
13 right of that, you can see that the current project estimate  
14 is at 168. So my estimate in June was that construction  
15 documents would cost 230,000. And they have actually come  
16 in less than that.

17           So I'm showing you that the original budget, those  
18 numbers will stay the same. And the current project  
19 estimate is what fluctuates and changes. So you'll always  
20 have a number to reflect back to and see. And the original  
21 project budget numbers will always match this document that  
22 you approved.

23           If you take a look at construction, originally we  
24 were targeting the 5.2. And the Board approved higher than  
25 that. So you see the 6.7 million.

1           And then the next item is construction  
2 administration. I had originally budgeted a 140,000. And  
3 currently the project budget is 57,000. So that's  
4 significantly less.

5           And if you go all the way down to the line item  
6 under project contingency, we previously had \$500,000 in the  
7 project contingency. We now have \$645,000 in the project  
8 contingency. That will be money that we will review with  
9 the project team, the design team, and we will -- there were  
10 other items on that needs list that we were not able to do  
11 for the TCC. And so as we go further down the process, as  
12 other -- as monies become available, we'll look at that list  
13 and say, okay, now we can do in this, or now we can do that.

14           Chris?

15           TREASURER SHEAFE: So Elaine, it sounds like what  
16 you did was -- is you created savings in other areas. You  
17 just poured it down into the contingency?

18           MS. WEAVER: I have, to date, yes. That's where I  
19 put it because --

20           TREASURER SHEAFE: Which is all right.

21           MS. WEAVER: -- that's where it should go.

22           TREASURER SHEAFE: Yeah.

23           MS. WEAVER: Because it's your contingency. And  
24 as the scope increases, I will come back to you and say,  
25 okay, we now have \$645,000 left in our project contingency;

1 this is my recommendation; I need your approval to spend  
2 that money.

3 Any questions?

4 (Cell phone ringing.)

5 TREASURER SHEAFE: Apparently, there's one that's  
6 being called in.

7 CHAIRMAN McCUSKER: I believe this is posted to  
8 the website, Elaine?

9 MS. WEAVER: Yes, it is.

10 CHAIRMAN McCUSKER: And we can now post this and  
11 so the public can continue to track.

12 MS. WEAVER: Any time that I come to you to  
13 present this document, I'll give it electronically to  
14 Michele. And it will get posted to the website, yes.

15 CHAIRMAN McCUSKER: Great.

16 MS. WEAVER: Thank you.

17 MS. COX: Great.

18 MR. MOORE: Mr. Chairman?

19 CHAIRMAN McCUSKER: Mr. Moore.

20 MR. MOORE: I have a question.

21 One of the questions I've had and has been  
22 bothering me for a while is that Rio Nuevo generously  
23 contributed another million dollars to the renovation of the  
24 community center. But I didn't see any interest from the  
25 Board of a trade-out of other land, something like that,

1 that we should be getting back from the City to make up for  
2 that difference. And I would like to have us think about  
3 that.

4 Because even though the million dollars is --  
5 according to Elaine and so forth, is going to be well-spent,  
6 I would also like to see, based on our settlement agreement,  
7 that we try to negotiate with the City for more land that we  
8 believe is ours anyhow. And I don't know how we want to  
9 proceed, but I'd like to bring that up for some discussion  
10 at some time.

11 So I don't know what anybody's thinking is, but I  
12 think we should try to figure out how we get our million  
13 dollars back.

14 CHAIRMAN McCUSKER: I do think we've created some  
15 good will.

16 MR. MOORE: It's an expensive payment.

17 CHAIRMAN McCUSKER: I think it is an opportunity  
18 for us to look at things maybe, Alberto, that could benefit  
19 us and remind the City that we were very gracious in looking  
20 at the Arena. So I would agree with you, that this is paid  
21 forward. And at some point we should have a conversation  
22 with the City about how we derive some additional benefit  
23 from that. I think we should keep talking about how we do  
24 that.

25 MR. MOORE: Okay. Fair enough.

1 MS. WEAVER: Thank you.

2 CHAIRMAN McCUSKER: Anything else for Elaine?

3 SECRETARY IRVIN: Just a thank you.

4 MS. WEAVER: Thank you.

5 MS. COX: Good job.

6 SECRETARY IRVIN: She's been excellent to work  
7 with, getting us all organized, like herding cats once a  
8 week. Thank you.

9 MS. WEAVER: Well, it's been fun working with you  
10 as well.

11 TREASURER SHEAFE: Do you mind if we just make one  
12 other comment?

13 As a Board Member and somebody who does volunteer  
14 time on this I want to acknowledge both Fletcher and Mark in  
15 particular.

16 Because I think, Elaine, you haven't said  
17 anything, but haven't they spent an awful lot of hours  
18 working with you and being at meetings on Monday and --

19 MS. WEAVER: They have, yes.

20 TREASURER SHEAFE: -- and really putting in a lot  
21 of effort? And this thing has not been an easy process.  
22 And it's been an extraordinary effort on the part of these  
23 two gentlemen. I think that ought to be acknowledged.

24 MS. WEAVER: You're exactly right. And it should  
25 be acknowledged. And it's not over yet because we're going

1 to --

2 TREASURER SHEAFE: That's why I'm making a point  
3 of it. I don't want them to shift the responsibility.

4 MS. WEAVER: Right. No. They're in it.

5 SECRETARY IRVIN: She got us booked all for the  
6 next two months. We're booked.

7 CHAIRMAN McCUSKER: Every Monday.

8 MS. WEAVER: I've really got you booked for the  
9 next year.

10 SECRETARY IRVIN: Mondays and Tuesdays.

11 MS. WEAVER: You just don't know that.

12 CHAIRMAN McCUSKER: Monday at four o'clock.

13 MS. WEAVER: No. I do. I -- we are going to be  
14 spending the next year together. And we have just mobilized  
15 from meeting every other week to now every week because we  
16 have a lot to do between now and January. And then even  
17 more to do between January and before construction starts.

18 So yes. I genuinely mean it when I say that it  
19 is -- I enjoy working with the Board and with the two of  
20 you. And yeah, we have a lot to do, but, it's a process.  
21 And we will -- we'll make it through.

22 SECRETARY IRVIN: I do have one question.

23 MS. WEAVER: Yes?

24 SECRETARY IRVIN: Are we going to have cup  
25 holders?

1           CHAIRMAN McCUSKER: In the seats. In the seats.  
2 Absolutely.

3           MS. WEAVER: I have to go back to my notes. Where  
4 did we land on it?

5           SECRETARY IRVIN: Just kidding.

6           MR. RITCHIE: I think there were.

7           SECRETARY IRVIN: We will. We actually will.

8           CHAIRMAN McCUSKER: Yeah. I think, you know,  
9 there's more behind that Chris than just Mark and I  
10 entertaining ourselves at Elaine's expense.

11           I think where this District went awry is the lack  
12 of participation, the lack of accountability on behalf of  
13 prior Board Members. And when Elaine asked us the other day  
14 how much of the detail that we want to see, we said we want  
15 to be intimately involved.

16           That was a quote. We want to know everything that  
17 she knows so that we're representing the community; and we  
18 want everything she does publicly exposed, so if anybody  
19 wants to criticize us, they can do it in realtime. They  
20 don't have to wait ten years to find out that we've spent  
21 this money on this project. And I think that's inherent in  
22 all of our commitment. And all of you are going to get to  
23 volunteer on something. Trust me.

24           You know, we carry the responsibility of living  
25 down the legacy of the original Rio Nuevo Board. Our

1 involvement is crucial to maintain the public trust. I  
2 think that's --

3 MS. WEAVER: And the success of the project. I  
4 need your involvement. I need to stay involved. It's just  
5 a -- we have to have a team approach.

6 We're getting ready to start some design reviews  
7 of the construction documents. And we will be meeting with  
8 Fletcher and Mark and the TCC, and we'll be going through  
9 the construction documents and the design so that everybody  
10 knows what's going on. It's not -- it should not be a  
11 surprise as to what the Arena looks like when we're done.

12 Thanks.

13 MR. MOORE: Mr. Chairman, then if I may add  
14 something.

15 How are we going to present that to the public as  
16 far as the news release or the pictures and things like  
17 that? I think we should make sure that the public's aware  
18 of these various movements; and, you know, what things are  
19 going to look like and so forth.

20 MS. WEAVER: Yeah. I think that's a great idea  
21 and a great point. And I think that we shouldn't ever  
22 forget about the marketing component --

23 MR. MOORE: Right.

24 MS. WEAVER: -- of this project. And that as  
25 progress -- as construction starts, we should either put it

1 in your newsletter, have photographs on your website, do a  
2 special brochure. When construction is happening around the  
3 TCC in different areas, I can work with the general  
4 contractor to have maybe peekaboo windows in so that they  
5 can see. We have the renderings from Swaim Associates that  
6 we could put those on a construction board and put those  
7 around the TCC.

8 So yes. It's a critical aspect I think, again, to  
9 the success of this project, to let people know we're  
10 working on it; this is where we're headed.

11 MR. MOORE: Thank you.

12 CHAIRMAN McCUSKER: Elaine, thank you very much.

13 Item No. 8, we've set a high bar for you, Don.  
14 Come talk to us about the Thrifty Block. Are we going to  
15 call it the Thrifty Block? Are we stuck with that?

16 MR. BOURN: I don't know what we're going to call  
17 it.

18 SECRETARY IRVIN: When we change our name, you  
19 should change yours.

20 MR. BOURN: First of all, I want to thank the  
21 Board and the Chairman for resolving our almost three-year  
22 lawsuit. I will say though that I never felt that this  
23 lawsuit was adversarial.

24 Mark and I have met a handful of times, and it's  
25 always very friendly. And I think we were all kind of

1 caught in a tough situation. And so I appreciate though the  
2 fact that, through current leadership, there is a real goal  
3 of trying to settle this thing and have all this move  
4 forward. And that's all we want to do.

5 I think Fletcher was a little surprised when I  
6 called him and said, hey, I want to come in and talk about  
7 this. He said, you want to -- December? I said, no, I want  
8 to go in now.

9 I mean, I want -- I want to get on with this  
10 project. And we all want to get on with it, but we want it  
11 to be a quality project. And I'm a big believer that  
12 there's a pendulum. We've all had a lot of negative  
13 publicity about this. We start showing some good things,  
14 and we're going to have a lot of positive publicity.

15 So I wasn't sure, under our agreement, what our  
16 reporting requirements should be or will be. So I just  
17 wanted to give you something. We can work on it and try to  
18 come up with a template that we can move forward with.

19 Surprisingly, after -- I asked our accounting  
20 people to look at what has been expended or committed on  
21 this project since the lawsuit started in January of 2011.  
22 I hate to even say it, but it's been \$800,000.

23 So I want to dispel the comments about the charade  
24 we've all been playing on this project. I don't think  
25 there's many people that would have put the kind of money in

1 this project that we've put into it. So we're committed to  
2 downtown. We're committed to Tucson. And I just want to  
3 get on with things.

4 We spent five and a half million dollars on this  
5 project to date. So that's water under the bridge. That  
6 is -- we don't need to talk about that anymore. But we're  
7 going to spend a lot more money on this project, and we're  
8 going to make it a great project.

9 So I have Rob Paulus here today to talk about our  
10 current plans. We've done all this over the past three or  
11 four weeks. When we thought the lawsuit was going to be  
12 settled, I started talking to Rob two or three months ago.  
13 But as Fletcher said, didn't want to spend a whole bunch of  
14 money on a project that could get stuck in a lawsuit going  
15 forward depending on what the City agreed to.

16 So what we've done to date is we've done  
17 conceptual plans, which we're going to talk about; we've  
18 taken the existing buildings; we've walked through them with  
19 demolition experts and structural engineers. When I say  
20 demolition, we're not going to tear down the Indian Trading  
21 Post. And even though the Annex is not technically part of  
22 the Rio Nuevo project, it really is part of that block and  
23 the project. And I think I'm going to treat it, for this  
24 Board, as part of the project so you know what's going on  
25 overall.

1           But part of our thought is that to move this  
2 project forward, we have two buildings that are there now.  
3 If we get to work on those buildings, clean them up, get all  
4 the garbage out of the buildings, make them attractive and  
5 appealing, I think that we'll be able to market those  
6 buildings and push those forward very quickly.

7           So we've engaged Rob. We're interviewing  
8 marketing teams. And we're talking about possibly some  
9 synergies that we can create between with the two  
10 properties.

11           And for your benefit, I did talk to Fletcher about  
12 this before we did it because I didn't want to commit to  
13 anything on the property without this Board being aware of  
14 it, but Art and Rob came to us and asked us if they could  
15 use the property for staging. And they had a large project.  
16 And we thought it's clearly the right thing to do. We're  
17 all in this together. We need to work together.

18           And people in my office were saying, well, how  
19 much are you going to charge them?

20           And I said, you know, we know from experience that  
21 their pro forma is tight. They told us it was tight. We  
22 didn't charge them anything. Even though we were spending  
23 this money over the last three years, our attitude was, we  
24 need to help them be successful. Now their position is they  
25 want to help us be successful.

1           So the next steps are to get -- to take what we  
2 have here, to do more detailed conceptual plans, start  
3 working on internal floor plans for buildings, get some  
4 detailed estimates for these buildings, and then actually  
5 just move forward with the internal demolition and sprucing  
6 up of the two existing buildings so that they're in a  
7 position to be marketed.

8           Once we do that, at that point -- I didn't put it  
9 here, but at that point, I imagine we'll be coming in for  
10 official approval of more concrete plans. And once we have  
11 that, we'll be getting more detailed construction estimates,  
12 getting working drawings done, getting entitlements, and  
13 being ready to start construction.

14           My goal is to start construction next year. My  
15 goal is to get started as soon as possible. I think the way  
16 we've designed the project it makes it much more achievable.  
17 It's somewhat scaled down from what we've planned in the  
18 past. But I think it's a less-is-more program where we're  
19 going to have some open space and patio areas, on-site  
20 parking. And I think there's some possibilities -- I don't  
21 want to -- I don't want to overcommit here -- but we're  
22 looking at surface parking between the Annex building and  
23 the new Post building, which we may be able to kind of make  
24 more like a little bit of a park feel to it, and maybe we  
25 could move cars out of that space at different times and

1 hold concerts there, do public things as a -- as a kind of a  
2 community opportunity.

3 With that, I want to turn it over to Rob Paulus,  
4 who is going to walk you through the plans for the project.

5 CHAIRMAN McCUSKER: Will you indulge us with an  
6 introduction and a little bit about your background? Most  
7 of us know who you are, but I'm not sure everybody does.

8 MR. PAULUS: Sure.

9 Mr. Chairman, Members of the Board, it's a  
10 pleasure to be here. I'm Rob Paulus. I have a company, Rob  
11 Paulus Architects. Grew up in Tucson and had my firm on my  
12 own now since 1995. We've done quite a few urban infill  
13 projects. I'm also a developer. It's really fun working  
14 with Don on different projects. This one in particular has  
15 such great opportunity with the fact that it's -- it  
16 encompasses both historic -- which we've done quite a few  
17 historic renovations, including the Ice House Lofts which we  
18 live in, my family -- and it also encompasses new. So it's  
19 a -- really a great blend of those two traditions.

20 Just quickly, this is a picture of our office,  
21 which we took an old auto repair shop and converted it to a  
22 LEED Silver office space. But the idea that, anything we  
23 do, we want to create enlightening and sustainable  
24 environments that improve the human experience, so I'll just  
25 run through a few things.

1           Our approach to design, which is in particular  
2 these urban projects, is how do you encompass this  
3 incredible natural environment that we live in -- especially  
4 this time of year, you can really appreciate it -- but also  
5 bring back the density and vitality and energy of what  
6 Downtown Tucson used to be. This is a picture from the '30s  
7 which I'm very fond of showing, almost on a daily basis, of  
8 what we can achieve with the right energy.

9           The idea of old and new, this project has a lot of  
10 that in spades from the Trading Post building to the Annex,  
11 and even in context -- which is why we brought this model  
12 in -- it's just this incredible variety of different time  
13 periods and different motivations that created that urban  
14 space.

15           Authenticity, I think we've got a lot of that,  
16 whether it's in the older structures that we're going to  
17 repurpose and renovate, as well as in the new structure.  
18 This is a view of the Ice House Lofts. That's my living  
19 unit right there. The idea that we can use historic  
20 architecture as a point of departure for anything new we do,  
21 we've been doing some work recently with the University of  
22 Arizona and in particular the Eller College of Management.  
23 And so we've looked at those old spaces and what's good and  
24 what's bad about them to create even new architecture.

25           Some of the projects we've done which relate to

1 what we're looking at doing here -- this is now 12, 13 years  
2 ago -- we redid this First Hittinger Block building at 116  
3 and 120 East Congress Street. Which was really just such a  
4 gift because all we had to do is take the plaster off and  
5 all that brickwork was there and put in new glazing. So  
6 there's an incredible opportunity, in some cases, to bring  
7 back the old while repurposing the new. I think that seems  
8 to be a mantra that we have.

9 We also worked on the 1969 Martin Luther King  
10 Apartments right down the street. It's now fully leased,  
11 the retail, which we added 9,000 square feet. And it was  
12 pretty much the first market-rate residential to go in  
13 downtown, 96 units. And it's doing extremely well, with a  
14 waiting list. The idea is that we think that this block,  
15 with all of the energy that's happening on the east end,  
16 obviously that can move to west and be part of this project.

17 A little forgotten project, you don't really get  
18 inside of it much, but we took on old warehouse and  
19 converted it to living units. And the reason I show this is  
20 just the -- before we had the sheetrock up and there was  
21 really no marketing to this project, but the seven units  
22 were already leased. So there's an incredible opportunity  
23 to capture -- and we've been looking at a lot of  
24 demographics too. We think it's all the way from students  
25 to empty-nesters that want to scale down.

1           Really proud, we just found out last week, we got  
2 LEED Gold, which is a rating from the U.S. Green Building  
3 Council, on a project we did down in Rio Rico. We got LEED  
4 Gold at basically \$150 a square foot for this office  
5 building for GSA.

6           So to the site, which is a lot more interesting,  
7 everyone knows the site on the board. But it just -- it's  
8 kind of sandwiched between these two older buildings, the  
9 Trading Post and the Annex. And obviously, one of my  
10 favorite buildings downtown is the Chase Bank, which is ten  
11 stories. But it's an incredible site, a lot of opportunity.

12           So one thing we looked at was to obviously keep  
13 those two existing buildings. And Don's had a lot of time  
14 to think this through. We've even done a couple of  
15 variations on schemes over the years. But the idea that  
16 with on-grade parking you can scale the project down. You  
17 don't have to spend all this money on a parking structure.  
18 So that was kind of the first push to how to work this  
19 thing.

20           Some great benefits on that, instead of going  
21 wall-to-wall between the two older buildings, is now we  
22 don't have to deal with the old fabric of the basement, say,  
23 of the Trading Post, which is literally just stacked stone.  
24 So we're saving -- leaving what's historic intact while  
25 saving money on the construction cost of the new.

1           This kind of shows the kind of three parts of the  
2 concept. On the right side is the Trading Post, of course,  
3 at Congress and Scott. And then the idea that this new  
4 building basically has four sides. We can't get up to the  
5 property line against the -- where the bankruptcy court is.  
6 That's pulled back 10 foot, 1 inch per code. But basically  
7 it enables us to get views and corner windows on all four  
8 sides, as well as create these really fantastic in-between  
9 spaces, which I'll get into more detail later.

10           So if I go from the right, Trading Post, there's  
11 then a shared courtyard between the Trading Post and any new  
12 retail. The actual new building itself will be obviously  
13 commercial on the lower floor with residences above. And  
14 then what Don was mentioning before, the idea that this  
15 on-grade parking area, which really becomes an urban oasis.  
16 I'll show you images of what we plan do with that.

17           And then finally the Annex building, which  
18 honestly is kind of a dog of a building, but we've got some  
19 fun schemes on how to improve on that.

20           You agree, obviously.

21           So this first rendering shows -- and once again,  
22 this is just a couple week's worth of work; we haven't spent  
23 a lot of time kind of peeling back layers on the building,  
24 but the opportunity to basically take the Trading Post back  
25 to its structural core, which will open up all of the kind

1 of shut storefront along Congress and Scott; the idea that  
2 that top floor can become state of the art, really  
3 incredible office space; it's not a very big building, so  
4 the potential to have either one user on the bottom floor or  
5 have multi-tenant units available.

6 It then shows the space between the building and  
7 our new structure, which, once again, with its four sides,  
8 we can look at corner windows and have some really fabulous  
9 views, both foreground, middle ground, as well as off to the  
10 mountains and to the Santa Ritas and all the different  
11 mountain scapes.

12 The floor plans of the Trading Post -- this is  
13 very interesting -- once it's stripped back -- there's so  
14 much stuff on the inside -- it's a very clear and logical  
15 structure. So we have the opportunity to even engage the  
16 basement space, the idea that we can create an open area  
17 where you can walk down in and has natural light that can  
18 pour into that area, but really use and express as much of  
19 that existing building as possible.

20 Level 1, the idea that we have a shared kind of  
21 bathroom area in the back, with an elevator, so there's easy  
22 access both for deliveries, for storage, as well as ADA  
23 access for the office space which we've learned is a great  
24 marketing tool. You spend more money, but your building's  
25 worth that much more. It's fully accessible.

1           And then the idea that Level 2 can be a fabulous  
2 office space, whether it's one user or multi-tenants.

3           And this, in particular, kind of personifies the  
4 approach. Because on the left-hand side of this view,  
5 there's a trading -- is the Trading Post building, which we  
6 would open up with some steel and create this great  
7 indoor/outdoor flow, which then flows into the new building.  
8 As you can see, we want to create enough light, so we've got  
9 a 16-foot span. But then on that lower floor, it pushes to  
10 24 feet, so we really get a fabulous courtyard.

11           The idea that it's a modern building next to old,  
12 which is something you see a lot of in Europe. It's really  
13 the approach that we want to take with this, where we  
14 signify that we're in 2013 and this building's a hundred  
15 years old right next to us, but they can coexist together.

16           A really fun thing, in terms of what Don  
17 mentioned, is the idea of performance space. So you've got  
18 this -- especially in the afternoon, this great shaded  
19 outdoor space. The idea that that back wall -- which this  
20 kind of even shows on the model -- that we can use local  
21 artists to create just a wonderful tapestry of color and  
22 shape and form and interest along that back wall.

23           The great thing, which I'll get into later, but  
24 with all four sides open, is you have complete transparency,  
25 even from Congress Street, to look all the way through the

1 building to that back area. So there's some great  
2 architectural moves that we're really excited about. This  
3 shows, even in the model kind of a -- these aren't all that  
4 clear, but the idea that that lower floor is really set up  
5 for some fabulous commercial space, even the idea that it's  
6 high enough so that we can get a mezzanine space on the  
7 upper floor that might even come out into these in-between  
8 areas. So we're very excited about that.

9           The third rendering we want to show is this idea  
10 of this urban oasis. So in between the Annex building and  
11 the new building is kind of right behind -- and then you see  
12 the bankruptcy court and even a little bit of 44 Broadway  
13 there.

14           And sometimes these things just happen by chance.  
15 So we laid this out in a site plan. Then we finally built  
16 this model. And you realize that we're now leaving all the  
17 views from One East Broadway are fully -- at least to the  
18 north -- are all there, really fit in really nicely in terms  
19 of creating a building that doesn't -- that is a real good  
20 neighbor.

21           But with the oasis space, since it is on-grade  
22 parking, we can't just do a parking lot like it's a Wal-Mart  
23 or Walgreens. So we're looking at the idea of a permeable  
24 paving and really integrate the landscape. So there's cars  
25 there, but at times you can pull the car away and it's a

1 completely interesting space that deals with rainwater in a  
2 productive way and provides a -- something other than just  
3 hot hard scape.

4 Another advantage of kind of this lower-scale  
5 scheme is the idea that there's people space literally on  
6 all sides of the new building. So there's a couple of  
7 images. The one in the upper left is from Manhasset, a  
8 little, cool shopping center there, which is -- it's all  
9 Gucci and Prada. But they've done a really great job of  
10 having a landscape edge next to a really high -- I think  
11 it's Cipriani -- but it's fine dining. But literally  
12 there's cars adjacent to it, which is kind of what we would  
13 have.

14 And the other image is Paris where those  
15 in-between spaces are pretty fantastic. And if anything,  
16 historically, it's significant. Even with what we have here  
17 in Tucson, the historic barrio where there's a zaguan and it  
18 opens up to a courtyard. So we really feel that that space  
19 could be spectacular. And as Don mentioned, maybe it has  
20 even a public use along with it too.

21 So just quickly, some of the floor plates and  
22 options we have. One idea is that there's four floors of  
23 larger residences -- like a two bedroom, two bath -- with a  
24 total of 24 residences. But with what we've created for  
25 this inner core, we have a lot of flexibility on how we look

1 at -- how this develops. It could be smaller units where  
2 the building might have up to even 44 residential units or  
3 more.

4           And then it shows, with that tight, compact core  
5 in the middle, we have this now transparent building. Just  
6 a fun little note, when you look at how we accomplish that,  
7 is we have to do a lot of precedent studies and look at, in  
8 particular, this Marina City project in 1964 -- it's in  
9 Chicago, right on the river -- where they used a double  
10 helix stair. So basically it's one stairwell that provides  
11 two ways of exiting. So we've got this extremely efficient  
12 central core that allows us to open up on three sides of  
13 each of the retail spaces down below.

14           The final rendering is this Annex building. And  
15 it really is a tough one. It was a beautiful -- I think it  
16 was McLellen's back at the turn of the last century, that  
17 then was coated over with concrete for whatever reason. We  
18 haven't done the right research yet. But it essentially is  
19 a concrete building with just a couple doors at the bottom.  
20 So as Don mentioned, we've walked through these buildings  
21 numerous times with engineers and demo crews and figured out  
22 we could cut that middle third without really adding a lot  
23 of structural costs. So the idea is that gets cut out. And  
24 then even the idea of coring into the existing concrete and  
25 create circular would really create a statement along the

1 street that might attract a single user. It's approximately  
2 20,000 square feet. But if done right, it really can be a  
3 spectacular space.

4           There's the floor plates, so once again we also  
5 have the basement and Level 1, 2 and 3. We're opening up a  
6 lot of glass that faces to the east which will even have  
7 balcony space. And the idea of a central core, so if it  
8 does become multi-tenant in each floor, that's easy to  
9 accommodate as well. But really, opening the space up,  
10 exposing structure, creating a very dynamic workspace with  
11 lots of natural light.

12           One of the big things we looked at, we didn't want  
13 to -- you know, with these projects you really have to look  
14 at kind of one or two, if not three major moves. And we  
15 realize that with this structural system we can create this  
16 light shaft that basically goes down through all three  
17 floors and then into the basement, and then have the same  
18 thing happen -- let's see -- so this is a major light shaft,  
19 and then we can also get one in the back. So in particular,  
20 if it's a single user, it's very easy to make this work, but  
21 even with a multi-tenant situation.

22           I brought this up -- this is a really fun project.  
23 We're currently working on a company based out of Tucson  
24 that has national reach, Mister Car Wash. And they're  
25 moving from La Paloma Corporate Center down to be back to

1 the urban core. So it's very exciting that wants to be in  
2 an older building that's near the streetcar line, that wants  
3 to be in 24,000 square feet. It's one of the -- I think --  
4 you know, the fact that there's a company in town with  
5 national reach that's expanding and they actually want to be  
6 part of the renaissance that's happening downtown. We feel  
7 that there's great potential need for this type of user in  
8 the downtown location.

9           It's interesting, with these guys, they basically  
10 want to attract and retain talent, in some cases younger  
11 talent, so they're computer savvy, very technologically  
12 advanced, especially compared to me. I'm pushing 50. So I  
13 have to try to keep up with young guys like John back here  
14 who put all these renderings together.

15           And then finally, just all the four renderings, we  
16 feel that -- I think there's kind of a sweet spot that we're  
17 hitting with the two older buildings and the new piece, how  
18 they kind of communicate to each other, as well as, if you  
19 see the model, just how it fits within that urban kind of  
20 area of the downtown Tucson.

21           So I'll open it up for any questions, if there are  
22 any.

23           MS. COX: Interesting.

24           MR. RITCHIE: I don't have any questions, but  
25 that's pretty cool. Good job. Now I know why you guys have

1 the lots lights on in the Speedway till midnight at the  
2 architectural school.

3 MR. PAULUS: Oh, yeah.

4 MR. RITCHIE: While we were out goofing around.

5 TREASURER SHEAFE: How many units did you come out  
6 with?

7 MR. BOURN: Rob alluded to it. So the thought is  
8 this is a full mixed-use project. So the goal would be to  
9 take this Annex building which, as he said, we always looked  
10 at and said, what do we do with this thing? And we're  
11 really jazzed about it now, I think, with the front and with  
12 the skylights and atrium.

13 And then on the east side, now that we're not  
14 building right up to that wall, we could punch a bunch of  
15 windows in there. We can put -- we're putting balconies in  
16 there. You have brick walls, wood floors. I mean, you can  
17 have kind of the best of all worlds. So now, all of the  
18 sudden, that building goes to being a great building for a  
19 single user.

20 So we talked about, how do we attract corporate  
21 users to downtown Tucson? I often say, you know, you have  
22 to plan for it. You have to kind of create the catchers  
23 mitt to catch those people when they want to come. Like  
24 Mister Car Wash is a good example. So we think we can  
25 attract a 20,000-square-foot company to move downtown and

1 have one of the coolest spaces in Tucson.

2           The corner building is 10,000 feet, including the  
3 basement. My hope is to do a 3200-square-foot office use on  
4 the top floor, leave it wide open. And it's 14- to 16-foot  
5 ceilings, big wood trusses, brick walls, wood floors. And  
6 it'd just give somebody the greatest little office space  
7 they could ever have right in the middle of everything. And  
8 then have 6,000 square feet of restaurant space between the  
9 ground floor and the basement, give them lots of patio  
10 space, and just make it a real gem of a building.

11           And then -- and then you go to the new building.  
12 And it's about an 8,000-foot footprint. It would be five  
13 floors. But we're trying to squeeze in a mezzanine and do  
14 something really interesting with lots of, you know, high  
15 ceilings and then mezzanine space, lots of patio/balcony  
16 space to really attract some great -- some additional great  
17 restaurant, retail-type uses. And then four floors of  
18 residential.

19           My preference, One North Fifth, Herbert, Robin,  
20 and Art have all done fairly small units. And because of  
21 our parking situation -- you know, we can all talk about  
22 parking isn't necessary, but all the lenders want parking.  
23 And so you have to do something that's financeable. And so  
24 when we looked at this, we said, look, if we do four floors,  
25 if we could do 20 to 24 units and be 1200 to 1400 square

1 feet, you know, it's going to be fairly expensive because of  
2 construction to -- but -- and then have parking on site --  
3 we're talking to Rob and Art about using some of their  
4 overflow parking as well.

5 Our thought is, if we can appeal to a little  
6 different segment of the market. We can appeal to the  
7 midlevel, upper-level executives, especially if somebody  
8 wants to be downtown. We can also appeal to the  
9 empty-nester. And so we're not necessarily trying to appeal  
10 to the college student or the person straight out of college  
11 that wants 500 or 700 square feet.

12 CHAIRMAN McCUSKER: Would you lease those, Don?

13 MR. BOURN: The plan right now is to lease it. you  
14 know, I've had a lot of people say, gee, you should really  
15 go back and build condos.

16 The problem is, is that the wrap insurance is  
17 extremely expensive. So right away you can add -- on the --  
18 the original Post project, I think it was a million-two, a  
19 million-four, just for insurance because of the -- all the  
20 lawsuits that occur in these types of projects. And then  
21 you have to get your profit up front. So now you're  
22 pushing -- it's very expensive to build these types of  
23 projects.

24 So my thought is to do this on a rental basis  
25 and -- and -- but build a unit that's condo quality. And

1 we're still trying to kind of work through that. But we  
2 have some ideas that we think could work pretty well.

3 And so again, I think our -- the big idea here was  
4 that we all want to see something happen. We've looked  
5 at -- I probably have run 40 proformas. We probably have 40  
6 different plans of projects all trying to figure out how to  
7 maximize this. And what's interesting is, when you pull it  
8 back a little bit and create some better space, parking and  
9 so forth, it just feels like it works a lot better.

10 TREASURER SHEAFE: And you can file a horizontal  
11 regime and make it rental, so you haven't cut yourself off  
12 any.

13 MR. BOURN: Yeah. And so --

14 TREASURER SHEAFE: How many spaces do you need,  
15 though? If you have 3200 square feet of commercial, you're  
16 going to have to have parking available for those people.

17 CHAIRMAN McCUSKER: Actually downtown's exempt  
18 from that.

19 MR. BOURN: Right now we're -- Chris, right now  
20 we're not -- we're not planning any parking for the retail  
21 at all.

22 CHAIRMAN McCUSKER: All the downtown zone has no  
23 parking requirement.

24 TREASURER SHEAFE: So I was just wondering, can  
25 you -- can you use an adjacent property to contract so that

1 people know --

2 MR. BOURN: As an example, I mean, here's -- you  
3 know here's -- you know, you talked about things just kind  
4 of going -- you know, going around you, help the City and  
5 maybe -- you know, I didn't want to be a reason for Art and  
6 Rob to have a challenge with their project. So we just  
7 said, any way we can help you, we'll help you. So now  
8 they're doing the same with us. They said, look, we may  
9 have 20 extra spaces; maybe you guys can use this. Maybe we  
10 can punch a hole in the back of our garage and access this  
11 parking. And they said, gee, we really have this back land  
12 that we can't use; maybe you guys can use it.

13 So you know, I think the whole idea here is  
14 there's a spirit of working together. And so maybe we can  
15 figure out how to create some commercial parking spaces  
16 through that process. But I think right now we're trying to  
17 kind of evaluate this and underwrite it assuming we don't  
18 have that because, you know, we're just trying to make --  
19 we're trying to make this as easy to execute as possible.

20 MR. RITCHIE: How much money do you think you put  
21 into the Annex building?

22 MR. BOURN: How much will we, or --

23 MR. RITCHIE: Yeah. Will you, do you think?

24 MR. BOURN: You know, I think when we're done,  
25 we'll probably put -- to get it to where we're talking

1 about, we'll probably put another million dollars into it.  
2 And I think we're going have a phenomenon building, though.

3 And so I think -- I think the total project now  
4 with remodeling the two buildings and building the new  
5 building, it's probably a \$15-million project. You know,  
6 before, just to build the Post project, it was a \$25-million  
7 project. But then we were -- we were trying to do whatever  
8 we could to find parking. So we were going into the  
9 basement to the adjacent buildings to -- and stabilizing  
10 those walls for parking in there. We were doing a lot of  
11 things that were very expensive.

12 And I can tell you that doing urban development is  
13 just very, very expensive. So you have to figure out how to  
14 kind of balance between doing a high quality project and  
15 figuring out how to stretch your dollar as much as possible.

16 Any other questions or thoughts, feedback?

17 SECRETARY IRVIN: I just want your projected date.  
18 It's nice to have --

19 MR. BOURN: I mean, you know, again, even my  
20 office is saying, you sure you want do that? My attitude  
21 is, I want to put everybody -- I want to put our own feet to  
22 the fire. I want to figure out how to make this happen.  
23 And I think it's going to be a great project. I think --  
24 I'm tired of being the whipping boy in the newspapers. I  
25 don't care what the newspapers say. I mean, my wife always

1 says, well, you should respond to that. I said, I don't  
2 really care.

3 But the fact of the matter is that we all need  
4 positive, productive things happening here. And the more  
5 that we can work together and get these things going, the  
6 better off we're going to be.

7 MS. COX: Absolutely.

8 TREASURER SHEAFE: The only thing you haven't  
9 mentioned that I think you have a great opportunity with --  
10 I'm guessing, but you've got some really interesting roof  
11 space on both buildings.

12 MR. BOURN: And we have talked about it. And I  
13 always bring that up. And my project manager would always  
14 tell me it's too expensive. But I would love to do  
15 something like that. I think it would just be phenomenal  
16 if we could create some rooftop decks.

17 MR. PAULUS: We don't want to give all of tricks  
18 away because we're definitely thinking about that, yeah.

19 CHAIRMAN McCUSKER: Well, we wrote into your  
20 agreement that you cannot build a convenience store. That  
21 was the only thing we were concerned that you would do. So  
22 you have exceeded our expectations.

23 MR. RITCHIE: As a connoisseur of convenience  
24 stores, I would ask --

25 CHAIRMAN McCUSKER: There's still room for one in

1 one of these side spaces.

2 MR. BOURN: You know what? You guys -- you know,  
3 there will probably be some little 3,000-, 4,000-foot market  
4 that all of these residents are going to want. And we're  
5 going to have to come back in here and beg you to let us do  
6 it.

7 CHAIRMAN McCUSKER: It's written out of the  
8 agreement.

9 MR. BOURN: Right.

10 Like I said before, I appreciate this Board's  
11 focus on making things happen and moving forward. And I  
12 think as a community we have a phenomenal opportunity. Some  
13 people think we've squandered it. I think we've -- you  
14 know, we've stubbed our toe up front a few times, but we  
15 have an opportunity to do some really neat things.

16 So thank you.

17 CHAIRMAN McCUSKER: Don, thank you very much.

18 MR. RITCHIE: Thanks, Don.

19 CHAIRMAN McCUSKER: Okay. Chris and I have to  
20 step out for this TCC hotel conversation. But before I do,  
21 let me ask Mr. Irvin and the nonconflicted members, this is  
22 a discussion item only so I know you're not taking any  
23 action. But there's been some confusion about exactly what  
24 the District's intentions are with this project.

25 And I don't agendize it; I don't participate in

1 the email trail. But we've had some inquiries. I know it's  
2 confusing. Let me go back to the July meeting and just kind  
3 of go back through your motions.

4 JANNIE: Mr. Chairman, I would move that we, the  
5 Rio Nuevo District Board, allocate \$4.3 million towards the  
6 building of this parking structure including the long-term  
7 lease of parking spaces at market rate.

8 CODY: The motion is to allocate or pursue the  
9 allocation?

10 Mr. Collins says, Yeah, I'd ask --

11 JANNIE: That was my intent: to pursue the  
12 allocation just as you described.

13 MR. COLLINS: To pursue -- just as the point of  
14 clarification -- to pursue -- explore, begin to prepare the  
15 documents to accomplish what Scott has presented to you.

16 JANNIE: Yes. And bring those back to the Board  
17 for us to consider. That is my motion.

18 CODY: Second.

19 Any further discussion?

20 And it was all ayes except for Mr. Moore who voted  
21 no.

22 So I think as you discuss this, in the context of  
23 the word "allocate," I think some people are confused that  
24 we've committed four and a half million dollars to a project  
25 that we know very little about.

1           So my understanding of your motion is, and as we  
2 look to the budget, you all are exploring this opportunity  
3 and something has to come back to the nonconflicted members  
4 before you go any further. So I just want, for the  
5 record -- because if it -- you know, I know that, you know,  
6 I'm having trouble explaining it to people, and I know that  
7 other people have inquired of Michele and others as it gets  
8 agendized. So with that interference I'll hand you the  
9 gavel.

10                           (Mr. McCusker and Mr. Sheafe left the  
11                           proceedings.)

12           SECRETARY IRVIN: Thank you.

13           So I'm going to probably ask Mark Collins to chime  
14 in here if I got off track a little bit. So we, at our  
15 July 15th meeting, I think Fletcher pretty well delineated  
16 exactly what we agreed we were going to do. I want to just  
17 bring you up to speed with where we are.

18           As you can appreciate, this is not a simple and  
19 easy transaction. And the paper actually reported  
20 incorrectly. It's actually an investment that the District  
21 will make, if we get to that point, in a hotel downtown, the  
22 AC by Marriott, which Scott Stiteler and his group are  
23 doing. It will be a nine-story hotel. One level below  
24 grade will be parking. The ground floor will be check-in  
25 and about 9,000 feet of retail opportunities. The next

1 three floors will be parking. And then the next four floors  
2 will be the hotel.

3 Here's kind of where we are right now. And again,  
4 we're not asking for any action. This is simply updates so  
5 everybody knows where we are. Mark Collins has probably  
6 met, and I have, with Scott Stiteler and his group, I'm not  
7 sure how many times, but quite a few conceptually going  
8 through a number of different issues. We realize that we  
9 need to come back to this Board with all of that information  
10 once we get it to that point.

11 So what's happening right now is we are drafting  
12 the condominium declarations, or as Mr. Sheathe would like  
13 to refer to those, horizontal property regime. They're the  
14 same. Once those documents are done, we also still have to  
15 draft a purchase agreement for the property; we also have to  
16 construct a lease agreement for the lease back of the  
17 parking spaces. That is all on track.

18 Scott Stiteler and his group spent -- just here  
19 recently, spent quite a bit of time over in Spain with the  
20 folks with AC, looking at the various hotels and getting --  
21 making sure they're on the same page with a number of  
22 different issues. They also went back to their corporate  
23 and got a mockup of what those look like. And corporate's  
24 very interested. So we are currently going through all  
25 those condo declarations, the purchase agreement, the lease

1 agreement.

2 I had thought we might be in a position to bring  
3 those back to the Board in November. I do not think that's  
4 going to be possible. There have been some things that have  
5 popped up, one of which has been the property that sits at  
6 131 East Broadway, which is the corner of Broadway and  
7 Arizona Avenue. That was originally going to be a -- lease  
8 kind of construction where they were going to wrap and build  
9 across that. It looks like that now is going to be a fee  
10 simple purchase, and that building will be razed. I think  
11 the plan to start that construction on April 1st is probably  
12 going to be pushed back to probably more like July 1st.

13 So kind of what I think will happen is that we  
14 should be in the position -- probably in December, worst  
15 case January -- to come back to this board with all those  
16 documents. I'm sure we'll need to go into Executive Session  
17 so that Mr. Collins can explain all those documents to us  
18 and get everybody on the same page with understanding and be  
19 comfortable with them. But we are still a far way away from  
20 being there.

21 I kind of almost liken it to the diagram you just  
22 showed -- you were just shown on the Arena site where it  
23 kind of shows where we are in that process. And we've got  
24 about four steps to make and we're getting ready to go to  
25 Step 2. So we still have a couple of things to do. This is

1 really more for information than anything.

2 Mark, what did I forget?

3 MR. COLLINS: Mr. Secretary, Members of the Board,  
4 I don't know that you forgot anything of any material sort.

5 I will tell you, however, Mr. Secretary, it's  
6 eight floors not nine, one underground and then seven above.

7 SECRETARY IRVIN: Right.

8 MR. COLLINS: And based on the conversations that  
9 we've had with the developer, the District will buy the four  
10 floors that constitute the parking garage. The District  
11 will buy it when the certificate of occupancy and closing  
12 occurs. In other words, you will not be funding it --  
13 assuming you approve this -- until after the construction is  
14 completed.

15 The documents are also going to allow you folks,  
16 the Board, to designate one or more professionals to keep an  
17 eye on the construction of what it is that you'll ultimately  
18 buy and report back to you.

19 Clearly, the developer has a vested interest in  
20 building a good building. But the concepts that we've been  
21 talking about with the developer authorize the District to  
22 have inspections and so forth and have the professionals --  
23 certainly not me -- report back of any of the progress  
24 that's being made.

25 The condominium documents have not been prepared,

1 as you say. We are, however, proceeding with drafting the  
2 purchase agreement, hopefully in a modular fashion, so we  
3 can plug on the appropriate references to the condominium  
4 documents.

5 Mr. Secretary, I concur with you on your time  
6 line. It's difficult to prepare these documents and then  
7 bring -- I don't want to bring them all to you guys at the  
8 very last minute. It's going to take a little digestion.  
9 But I concur with what your -- your general time line.

10 Other than that, that's my only comments.

11 SECRETARY IRVIN: Before you do that, Alberto, the  
12 other thing I just want to mention really quick is, we also  
13 were in discussions with the developer about, you know,  
14 their opportunity to maybe buy this from us at some point in  
15 time.

16 MR. COLLINS: Right, right.

17 SECRETARY IRVIN: And that will come back up to us  
18 for discussion. And I'd love to see us, candidly, have a  
19 fuse on that where they would have to do that at some point  
20 in time so that we can take and reposition that money and do  
21 this again somewhere else.

22 MR. COLLINS: Right.

23 SECRETARY IRVIN: So that's always in the back of  
24 my mind. That will come back to the Board, obviously, for  
25 input, discussion, or whatever. But we are having that

1 discussion with the developer. Because I'd love nothing  
2 better than, in a couple years, for him to say, hey, I'd  
3 love to buy you guys out of that, so we can just take that  
4 pot of money and go do this again somewhere else.

5 MR. COLLINS: Right. That is a component that has  
6 been discussed.

7 Mr. Moore?

8 MR. MOORE: Just a quick question. How many  
9 spaces are we looking at? 130 or...?

10 MR. COLLINS: Parking spaces?

11 MR. MOORE: Yeah.

12 SECRETARY IRVIN: I think it's going to be just  
13 slightly -- they're still working on the plans. So I think  
14 we're going to end up somewhere, 200, 210 spaces. It's kind  
15 of my guess where we're going to be on the parking. But we  
16 haven't seen the final drawing yet.

17 MR. COLLINS: Right.

18 SECRETARY IRVIN: So that's just a guess. I  
19 think, as far as the rooms are concerned, it's probably  
20 going to be around 140, somewhere in there. Again, we're  
21 still waiting for those final, you know, drawings. And  
22 they're working on those now.

23 MR. MOORE: And the other question is: On the  
24 lease back for the parking garage, is there any thought that  
25 we could then leverage that lease towards funding any other

1 projects so we could be borrowing money off of that?

2 SECRETARY IRVIN: Haven't really gotten to that  
3 point with that yet, Alberto.

4 MR. MOORE: Okay.

5 SECRETARY IRVIN: But I think that's a great idea  
6 to --

7 MR. MOORE: Let them figure out how many ways we  
8 can leverage our investment to maximize those opportunities.

9 MR. COLLINS: It strikes me, however, that's  
10 leveraging the cash flow --

11 MR. MOORE: Right.

12 MR. COLLINS: -- and wouldn't necessarily be part  
13 of the purchase agreement or the lease back. But yeah,  
14 that's certainly a possibility.

15 MR. MOORE: Yeah. But it has to be written in  
16 such a way that somebody wants to loan you because they know  
17 that it's going to get paid.

18 MR. COLLINS: That will be part of it, yep.

19 SECRETARY IRVIN: We still have a lot of work to  
20 do.

21 MR. COLLINS: Yeah. This is -- yeah. This is not  
22 a simple project.

23 SECRETARY IRVIN: Any other questions?

24 Cody?

25 MS. COX: No.

1           MR. RITCHIE: I do have a question. Is Scott  
2 still -- you know, one of the conditions of my vote is that  
3 he would be willing to personally guarantee that loan. Is  
4 he still fully aware of that?

5           MR. COLLINS: He's still fully aware of it. It's  
6 a component that's being discussed. It's one of ones that  
7 will be part of these documents. We can address it when the  
8 time comes.

9           MR. RITCHIE: Absolutely.

10          MR. MOORE: And then one other --

11          MR. COLLINS: And we -- I'm sorry, Mr. Moore.

12          MR. MOORE: Go ahead.

13          MR. COLLINS: Mr. Ritchie, we've reasserted that  
14 in at least two of the most recent meetings.

15          Go ahead, Alberto.

16          MR. MOORE: And the only other question, you know,  
17 I don't know enough about it, but it seems to me that there  
18 are a couple of ways you can go on -- if we're going to own  
19 the garage, the hotel is going to be leasing that space to  
20 potential users of the room. And they're going to sell that  
21 space to one of the tenants. So I want to know if we're  
22 looking at having an ownership in that rental agreement from  
23 the occupancy of the hotel for that space.

24          SECRETARY IRVIN: The way we have that deal  
25 structured is that we'll -- they'll pay us a flat

1 space-per-month. And the discussions that we're in with  
2 them is, what happens if they continue -- you know, what  
3 happens in subsequent years? We're not managing the  
4 parking; they're managing it all. We own it; and we lease  
5 hundred percent of them back to them.

6 MR. COLLINS: And they'll be -- as we progress,  
7 Mr. Moore, we're going to have proformas from them we're  
8 going to be talking about; the Board's gonna be considering  
9 numbers and figuring out what makes the best return on this  
10 investment. And especially if the component that Mr. Irvin  
11 talks about, where there's a buyback, if you take the 4.3,  
12 you buy it and maybe a year or two years or whatever the  
13 parking is bought back from you folks, then there's your  
14 money again. You've had some cash flow. And there's your  
15 money that you can utilize on another project.

16 SECRETARY IRVIN: Jannie?

17 MS. COX: Forgive me if you mentioned this, but I  
18 don't think I heard it. Let's assume that in January you  
19 come back with all of this information that we need to have  
20 to make a decision about whether we invest those monies and  
21 buy the parking garage. And let's say we decide do it. And  
22 what happens after that? What is the time frame?

23 SECRETARY IRVIN: So -- yeah. That's a great  
24 question. Thank you.

25 So let's assume that they are going to break

1 ground on July 1st. We want to have -- and that would be  
2 part of the discussion that we would have, we're going want  
3 to have somebody on our team looking over plans and kind of  
4 serving as a mini construction manager -- for lack of a  
5 better way to say it -- to ensure that what is supposed to  
6 be built is actually built.

7 As far as the time line for construction, you  
8 know, that's probably a 12- to 14-month construction, could  
9 be a little bit longer.

10 Our -- excuse me -- check would not be a check  
11 that we would write until the project is completed. The  
12 City of Tucson has issued a certificate of occupancy. And  
13 at that time, there would be a trigger where we would  
14 purchase it at an actual close of escrow, write our check.  
15 And at the same time, the lease agreement on the parking  
16 would kick in as well. So those two would be mutually  
17 exclusive.

18 MR. MOORE: One last -- how many rooms are we  
19 looking at?

20 SECRETARY IRVIN: We think it's going to be 140.

21 MR. MOORE: 140.

22 SECRETARY IRVIN: Again, we're still waiting  
23 for that.

24 MR. MOORE: Sure.

25 SECRETARY IRVIN: Any other questions?

1 Fletcher, let me give you back your gavel.

2 (Mr. McCusker and Mr. Sheafe reentered  
3 proceedings.)

4 CHAIRMAN McCUSKER: I didn't realize I was sitting  
5 next to the architect.

6 SECRETARY IRVIN: Should have asked him to answer  
7 the questions.

8 CHAIRMAN McCUSKER: He was whispering in my ear.  
9 139 rooms.

10 SECRETARY IRVIN: Roughly 140.

11 Thank you.

12 CHAIRMAN McCUSKER: Okay. The West Side. And  
13 Mike? Someone here from WLB?

14 MR. LONGAKER: Sorry. Mike couldn't make it so  
15 you're stuck with me.

16 CHAIRMAN McCUSKER: Introduce yourself and fire  
17 away.

18 Just to update everybody, we've had WLB to engaged  
19 for several months to help us with the engineering update on  
20 the properties that are being deeded to us from the City.  
21 This has become part and parcel to the bigger Urban Land  
22 Institute investment. As we collectively look at these West  
23 Side parcels, I think we're talking about 80, 85 acres of  
24 vacant land that's extremely valuable to the City now that  
25 it's adjacent to the light rail.

1           So what have you found so far?

2           And I cut off your introduction.

3           MR. LONGAKER: No problem.

4           All right. Good afternoon. Rob Longaker. I'm  
5 with the WLB group. Mike Byrne -- I apologize -- could not  
6 make it this afternoon. We've been working on several  
7 things regarding this parcel. The exhibit I brought here  
8 just shows basically an aerial photograph. We recently flew  
9 to the site in August and created this high quality aerial  
10 photograph. We also produced a one-foot topographic map of  
11 the entire site as well.

12           So we have a draft ALTA survey that we've  
13 prepared. I have copies of that with me as well.  
14 Basically, have identified all the on-site culture on the  
15 property.

16           In conjunction with that, we've also prepared a  
17 legal description that identifies the property as well. I  
18 hear Mr. Collins chuckling next to me because what we  
19 thought would be something of a relatively easy task has  
20 become rather complicated.

21           And the specific issue is the finding of the  
22 eastern boundary of this parcel. It lies adjacent to the  
23 Santa Cruz River Park. One might think that would be fairly  
24 simple, but it's become somewhat complicated.

25           So we've gotten stalled a little bit as far as

1 finalizing that legal description in the ALTA. I spoke with  
2 Mark this morning, in fact. I believe he sent off more  
3 correspondence to Mr. Rankin this morning about how are we  
4 going to settle the eastern boundary.

5           The basic issue is, is that the boundary that we  
6 drew was based on the set of as-built plans for the bank  
7 protection along the river. And the boundary you see there  
8 basically lies just outside of a 50-foot area that includes  
9 the 8-foot wide, 10-foot wide asphalt multiuse path and then  
10 the landscaping and irrigation that was installed in  
11 association with it.

12           Well, the City came back to us and said that, no,  
13 they wanted additional ground because there's actually a  
14 natural pedestrian path and then a post and cable fence that  
15 lies just west of that. So we've been following back and  
16 forth and trying to determine, well, where should this  
17 eastern boundary be?

18           It's of pretty large significance because if we  
19 acquiesce to the City's request to move it to the west  
20 further, then basically the parcel will shrink by about  
21 three and a half acres, so about 10 percent of the entire  
22 site.

23           CHAIRMAN McCUSKER: What's the Santa Cruz River  
24 Linear Park, and who owns that?

25           MR. LONGAKER: It's basically managed by Pima

1 County. And it's on the same land.

2 CHAIRMAN McCUSKER: But is that -- you're talking  
3 about the same strip of land?

4 MR. LONGAKER: Yeah.

5 CHAIRMAN McCUSKER: So it's city-owned, but it's  
6 identified as the Santa Cruz River Linear Park and it's  
7 managed by the County.

8 MR. LONGAKER: Right.

9 CHAIRMAN McCUSKER: Are those approximately the  
10 same boundaries you just described?

11 MR. LONGAKER: Well, yes and no. It depends on --  
12 I guess the crux of the issue is we're trying to figure out  
13 how the western edge of that Linear Park is actually  
14 defined.

15 CHAIRMAN McCUSKER: So the County doesn't own  
16 that; the City does?

17 MR. LONGAKER: Yeah, right. Right.

18 So we're in the midst of that.

19 CHAIRMAN McCUSKER: And, Mr. Collins, what does  
20 the settlement agreement say.

21 MR. COLLINS: Well, you're talking to one of the  
22 reasons that it's difficult at this point.

23 The West Side Parcel is described in the  
24 settlement agreement in Section 7B. The language in the  
25 settlement agreement was crafted by yours truly and Mike

1 Rankin. We knew we didn't have an -- excuse me. We knew we  
2 didn't have a survey and didn't want to let that stop the  
3 settlement agreement. So we were sitting in my office and  
4 we said, well, this is easy. This is easy. What do we do  
5 here?

6 Well, what we said in the agreement -- and I've  
7 walked away from it even though I've highlighted it -- is  
8 that the eastern boundary would be the western edge of the  
9 Santa Cruz River Park.

10 I will tell you that in my mind, at that moment,  
11 that was a well-defined -- that was a well-defined spot.  
12 Little did I know that the location of the Linear Park was  
13 not well-defined.

14 So what Rob has mentioned to you, the real  
15 distinction here is the legal description that he drew at my  
16 suggestion is one that leaves with the City the paved  
17 portion on this side, the paved portion of the -- what I  
18 call -- the River Park, as well as all of their landscaping  
19 and irrigation. Right?

20 What the City wants, when you go out there, as  
21 most of the places on the River Park, there's, as Rob  
22 mentioned, a cable and post situation. Well, that seems to  
23 meander along here. That is from a plan that Rob hadn't  
24 been made available to him until very recently. And it is  
25 this strip in here that we're now discussing and trying to

1 decide upon the eastern boundary.

2 Yo. Excuse me.

3 MR. MOORE: Yeah. I've got a question.

4 MR. COLLINS: Mr. Moore?

5 MR. MOORE: What I understood our initial  
6 negotiations in the settlement of that agreement is that  
7 property actually extended down to what you're calling  
8 the -- not the Santa Cruz -- the -- that area down at the  
9 bottle -- the --

10 MR. COLLINS: Here.

11 MR. MOORE: Yeah.

12 It goes further down, though. It goes down, all  
13 the way down to 22nd Street.

14 MR. COLLINS: No. The --

15 MR. MOORE: It did originally when we talked about  
16 it.

17 MR. COLLINS: Okay.

18 MR. MOORE: Okay? And again, it's my feeling the  
19 City continues to manipulate these properties that we  
20 initially negotiated in good faith that we were going extend  
21 further down. And now we've got caught into another  
22 predicament.

23 And I'm just concerned that, you know, we make up  
24 for that additional property, with my understanding is about  
25 8 or 9 acres that are further south of that particular point

1 where the bottleneck is.

2 MR. COLLINS: Mm-hmm.

3 MR. MOORE: And that we should be looking at some  
4 other piece of property, another 8 or 9 acres to the north  
5 to make sure that we have a satisfactory piece of property  
6 for development.

7 SECRETARY IRVIN: Can we define that?

8 CHAIRMAN McCUSKER: What is south of that, Rob?  
9 Is that -- isn't that also Santa Cruz?

10 MR. COLLINS: It is.

11 CHAIRMAN McCUSKER: Because there's trails and  
12 benches.

13 MR. LONGAKER: There are. Right.

14 MR. COLLINS: Yeah.

15 CHAIRMAN McCUSKER: Is that also City-owned?

16 MR. LONGAKER: Yes. It's City-owned.

17 And part of it's the park. But there's also  
18 vacant property down there, too.

19 CHAIRMAN McCUSKER: Right.

20 SECRETARY IRVIN: Mark, what does the language say  
21 about that piece?

22 CHAIRMAN McCUSKER: There's some language --

23 SECRETARY IRVIN: I know it's got some interesting  
24 language in it, where it comes together or something.

25 MR. COLLINS: Oh, yeah.

1           CHAIRMAN McCUSKER: At the narrowest point. It  
2 says --

3           MR. COLLINS: At the narrowest point. That's  
4 exactly -- precisely what it says.

5           On the south at the point where the distance  
6 between the western edge of the Santa Cruz Linear Park and  
7 the eastern edge of Grande Avenue is the smallest.

8           SECRETARY IRVIN: Right.

9           MR. COLLINS: That's what it says.

10          CHAIRMAN McCUSKER: The conversations during that  
11 period with the City and the County were that that southern  
12 section would remain undeveloped and parkish along this --  
13 and then you have the Santa Cruz Linear River Park, which  
14 would be pedestrian, bicycle, equestrian, whatever, that  
15 whole stretch is. But I am troubled by they're pushing the  
16 thing further to the west, obviously.

17          MR. COLLINS: It's -- I'll speak for Rob because  
18 he does all the calculation. But I believe he said that if  
19 we're talking about 3.5 acres, thereabouts, or about  
20 10 percent. It seems to me --

21          MR. MOORE: That's on the eastern side, you're  
22 talking side, not the bottom end.

23          MR. COLLINS: No. That's correct. You're talking  
24 about the bottom end. I understand that. I'm just  
25 addressing to the eastern boundary issue.

1           CHAIRMAN McCUSKER: Mr. Sheafe?

2           TREASURER SHEAFE: You know, we might just focus  
3 on something a little different here. Ownership means  
4 maintenance. All right? And we've already got the Linear  
5 use there, which is a popular component of the community.

6           The City could make this a lot easier if they  
7 would agree that we don't have any setback requirements from  
8 our -- the boundary line that's established. That way the  
9 Linear Park can stay where it is. Nobody has to worry about  
10 it. And we can use the property the way we want to be able  
11 use it without being held back further --

12           MR. COLLINS: Up to the lot line.

13           TREASURER SHEAFE: -- because we've already  
14 established that with the Linear Park.

15           If you do that, the three and a half acres becomes  
16 effectively usable because now we're not building another  
17 buffer next to a buffer. And all the City has to do is say,  
18 look, we need to preserve the Linear Park, but we also want  
19 whatever use eventually becomes usable to be able to come  
20 right up against that.

21           And then we've got the same use of the plan, and  
22 the County can go right ahead and maintain it.

23           MR. COLLINS: Mr. Sheafe, I think that's a great  
24 idea. It seems to me there are several other options, but I  
25 like that idea for building.

1           CHAIRMAN McCUSKER:  Where have you all left this  
2 with the City?  Are you going walk it or measure it?  Or you  
3 know, how do we resolve this?

4           MR. COLLINS:  I have asked Mr. Rankin to meet with  
5 me next week to see if he and I can't meet some sort of  
6 direction on this issue.

7           We need to get that done.  We need to get that  
8 boundary decided upon.  Especially since you folks are going  
9 to have a meeting, I understand, now on the 5th.  I'm  
10 hopeful that maybe I can come back, we can agendize that  
11 component of this.  I'll talk to Mike next week.  He has had  
12 a meeting with all of his people.  And the other issues that  
13 he's raised are very solvable.

14          CHAIRMAN McCUSKER:  You know, to your point,  
15 Alberto, this entire West Side is better served as Rio Nuevo  
16 land.

17          MR. MOORE:  Right.

18          CHAIRMAN McCUSKER:  It's multijurisdictionally  
19 confused.  The County owns some of it.  The City owns some  
20 of it.  The private sector owns some of it.  I've continued  
21 to make the case to the City leadership that Rio Nuevo ought  
22 to own all of that property.  And I think that may come out  
23 of something that the Urban Land Institute thing develops,  
24 is ultimately who controls the development on that far west  
25 side.  I think there's going to be a lot of conversations

1 about what happens over there, who owns the property, and  
2 who can develop it.

3 MR. COLLINS: Right.

4 CHAIRMAN McCUSKER: Remember, we are exempt from  
5 the gift clause.

6 MR. COLLINS: Right.

7 CHAIRMAN McCUSKER: So if anybody should own it,  
8 it should be Rio Nuevo.

9 TREASURER SHEAFE: But just so that I might wear  
10 the Bond Committee Member hat.

11 We've worked very hard in Bond Committee to create  
12 the Linear Park system that goes literally all the way  
13 around the City now. I think at the end, we're going to  
14 have 280 miles of unimpeded track that people can get on and  
15 walk or bicycle or whatever. It's quite an asset for  
16 Tucson. It's putting us on the map as one of the most  
17 bicycle friendly communities in the entire nation. And we  
18 may end up with a number of other benefits from this.

19 So the reason I put it in this context is there  
20 maybe a lot more behind the motivation to maintain that  
21 linear area than just initially meets the eye. And I don't  
22 know that we really care, as long as we can do what we need  
23 to do right up against it.

24 CHAIRMAN McCUSKER: Was some of that -- is that --  
25 I thought that was all on County land, but obviously it's

1 not.

2 TREASURER SHEAFE: No, it's not.

3 CHAIRMAN McCUSKER: Some of it's City and some of  
4 it's State.

5 TREASURER SHEAFE: It doesn't really matter. It's  
6 the County that's -- through the Bond Program, we've  
7 actually built most of the Linear Park. And everybody  
8 here's enjoyed it.

9 And what the City has set for the builder to do,  
10 if I understand correctly, is simply recognize that the  
11 buffers are also already taken care of in the park system,  
12 which removes the buffer requirement.

13 CHAIRMAN McCUSKER: Hadn't thought about that.

14 TREASURER SHEAFE: What happens to you when you go  
15 to do something, is they say, well, here's the line. Now  
16 you need to buffer it.

17 And we have instances all over the community where  
18 we're buffering buffers which just creates no-man's-land  
19 that you actually end up with a negative because you have to  
20 maintain these things. So it's much better to bring your  
21 other activity right up to the established buffers. And  
22 that's where I was going with my comments.

23 CHAIRMAN McCUSKER: So you've got another round  
24 with them and you'll get back to us.

25 MR. COLLINS: Mr. Chairman, Members of the Board,

1 yes, I do.

2 I -- the November 5th meeting is kind of a short  
3 fuse but -- because I've got some other things to be dealing  
4 with them about. But Mr. Sheafe's idea is a good one.

5 I will just share with you another idea. Rob and  
6 I haven't talked about it. But obviously, the perfect world  
7 is that we get the one that Rob drew at my suggestion.

8 We can also do an easement. We can take title  
9 with an easement that the County and the City could use up  
10 and to the post and cable, and a component -- Mr. Sheafe,  
11 that you've said -- is in exchange for that, then we can  
12 build up to the -- up to that line. So there's a lot of  
13 options here.

14 But you guys ought to be aware that it's not  
15 going to happen.

16 MR. MOORE: Well, my only concern is that  
17 originally all the money that was designed for TIF and Rio  
18 Nuevo was really focused in this area, the whole west side  
19 of the freeway. And there's no place in this community that  
20 represents the Hispanic and Native American culture. This  
21 is where the beginning of our community started.

22 And it seems to me that we -- that is one of the  
23 most important parts of our relationship in the development  
24 of downtown Tucson, is not to get this confused with all the  
25 east side development, that this is historic.

1           It's got a -- if you go down past that little  
2 bottleneck there, I know that right as -- there's the --  
3 what's called Tres Mesquites. This is an area that the  
4 Tohono O'odham, the O'odham tribe has considered to be very  
5 sacred. And they want to have some kind of spiritual  
6 relationships in that area that can be incorporated. They  
7 don't mind the tourism and they want all those activities.

8           But part of our function is to try to work with  
9 these communities to really develop this area to something  
10 that's really representative of our community. We're very  
11 lucky because this area goes back 10,000 years, in historic  
12 documents, of people living in this community. That's  
13 amazing. Okay? There's no place in the country that has  
14 that historic value. And we should be very careful on who  
15 intrudes on the development and the representation of that  
16 property. That concerns me.

17           CHAIRMAN McCUSKER: There could be a very  
18 interesting conversation about easements and uses, which  
19 could extend beyond our property boundary.

20           MR. COLLINS: Yeah. The southern boundary.

21           CHAIRMAN McCUSKER: Right.

22           MR. COLLINS: Right, right.

23           CHAIRMAN McCUSKER: And in the agreement of all of  
24 these --

25           MR. COLLINS: Right.

1 CHAIRMAN McCUSKER: -- horse tradings --

2 MR. COLLINS: Right.

3 CHAIRMAN McCUSKER: -- in terms of the easement,  
4 the Linear Park, you know, the preservation of some of these  
5 native lands, is that a part of this conversation that we  
6 all agree on what that should look like.

7 So that, Alberto, you could restrict that area  
8 from any commercial development --

9 MR. COLLINS: Right, right, right.

10 CHAIRMAN McCUSKER: -- and preserve the Tres  
11 Mesquites area. It may be a park, County park, City park,  
12 Rio -- whatever. You know, so this maybe an opportunity,  
13 maybe, that the City, just drawing that line --

14 MR. COLLINS: Right.

15 CHAIRMAN McCUSKER: -- is negotiating that whole  
16 parcel. And it does tie into the ULI.

17 Now, what else do you know about the buildability  
18 of that lot? That's one of the things we've been concerned  
19 about. It is -- can you -- it is former landfill, right?

20 MR. LONGAKER: Yes.

21 CHAIRMAN McCUSKER: And what do we now know about  
22 what can be done in that parcel?

23 MR. LONGAKER: We've identified, based on some  
24 past reporting that's been done on the site, that the vast  
25 majority of it's landfill. But there's a segment along

1 Grande, probably about 200 feet in depth, and then there's a  
2 segment along Mission, probably just about to this point  
3 going across to the east -- so that and this swath right  
4 here -- that depths of the landfill are not as deep,  
5 probably 10 to 12 feet as opposed to, in the heart of the  
6 landfill, depths are 30 to 40 feet. So we feel confident  
7 that those are the areas that to are most viable for  
8 development that could be reclaimed.

9 CHAIRMAN McCUSKER: On the deeper areas, you know,  
10 can that be parking? Can that be equestrian? Can it  
11 still -- you know, I mean, if you can't build a building on  
12 it...

13 MR. LONGAKER: We can park on it, so we can  
14 certainly do that, yes. We can put open space recreational  
15 facilities on that. We can plant on it. Planting's a  
16 little challenging. Larger trees tend to struggle a little  
17 bit as they grow and get more mature and reach depths. Once  
18 they hit the depths of the trash, it causes problems. So we  
19 need to plant shallow plants, grass turf.

20 CHAIRMAN McCUSKER: In terms of people occupancy,  
21 you know, the weight, I mean, is there something there that  
22 could hold 1500 people, 2,000 people?

23 MR. LONGAKER: Yeah. I don't see --

24 CHAIRMAN McCUSKER: You know, the lienzo that  
25 we've all -- is that a -- is that a project that could be

1 built on this kind of compacted soil?

2 MR. LONGAKER: Yes, that's viable. And it's been  
3 capped. There's anywhere between 6 and 8 feet of topsoil  
4 that's on top of it. So, yes, we think that's a viable use.

5 CHAIRMAN McCUSKER: Some people suggested it go  
6 native, Sonoran. That's not really doable with the -- with  
7 some of the methane and gas issues. Could you replant that  
8 area as Sonora Desert?

9 MR. LONGAKER: I think -- well, with limitations.  
10 I mean there are certain species, for instance, you know,  
11 some of your larger trees -- your mesquite trees or Palo  
12 Verde or saguaro, those types of species -- anything that  
13 has a root system, I think, that grows to a greater depth is  
14 going to be a problem. It's going to look fine for a few  
15 years, but then once it's root system gets into the landfill  
16 area, then it's gonna die. So to an extent, yes.

17 CHAIRMAN McCUSKER: Now, the Hilton on the east  
18 side, if I recollect, it on a former landfill.

19 MR. LONGAKER: It is.

20 CHAIRMAN McCUSKER: It's on pylons?

21 MR. LONGAKER: It's on pylons. So I suppose it's  
22 also conceivable to build structures over the deeper areas  
23 of the trash by, you know, drilling pylons to -- through the  
24 trash to natural soil depths depending on the  
25 recommendations of the geotech, building structures on top

1 of it with some sort of methane gas release system beneath  
2 the building. That's how that hotel operates.

3 So conceivable, yes. For sure, you know,  
4 obviously higher development costs, but it's doable.

5 CHAIRMAN McCUSKER: And we connected you with the  
6 ULI, right?

7 MR. LONGAKER: Yes.

8 CHAIRMAN McCUSKER: So you'll be working with  
9 them.

10 MR. LONGAKER: Yeah. In fact, one of the other  
11 components of the project we're working on is a property  
12 investigation report. We have a draft. We're just waiting  
13 to finalize it based on the final confirmation of the  
14 eastern boundary.

15 But this report identifies several things, such as  
16 land uses in the vicinity, site zoning, surface hydrology,  
17 archaeology, more on the landfill, utilities, location of  
18 existing utilities and capacities, public transit, et  
19 cetera. All that information, we think, is invaluable to  
20 ULI. It basically provides a framework and a foundation so  
21 that they know, when they conceptualize highest and best use  
22 for the piece, they know what their limitations are as far  
23 as existing construction.

24 CHAIRMAN McCUSKER: And how about archaeology,  
25 history, is it the Carrillo House or --

1 MR. LONGAKER: Yeah, it is.

2 CHAIRMAN McCUSKER: -- the Convento? What do we  
3 know about that?

4 MR. LONGAKER: Those items, yes. We also sent a  
5 letter off to the Arizona State Museum. They did a records  
6 check for us. So obviously, in the immediate area around  
7 the site, there's a tremendous amount of archaeology.

8 You know, this site is interesting. It's a  
9 landfill. So obviously any archaeology that exists on the  
10 site is obviously buried. So in areas where we're proposing  
11 to develop, there doesn't seem to be any challenges to  
12 archaeology at this point -- or archaeology doesn't seem to  
13 present any challenges to development of the site. In the  
14 deeper portions of the site, I'm not really sure that  
15 anybody really knows exactly what's down there unless you  
16 excavated it.

17 CHAIRMAN McCUSKER: Have you heard anything new on  
18 the ULI's timing or when they're going to be in town.

19 MR. LONGAKER: You mentioned, I believe, the 17th  
20 earlier. And that's still the understanding as far as the  
21 dates. So we will be involved in those meetings. Mike and  
22 I will be involved in those meetings as well.

23 CHAIRMAN McCUSKER: Anything else for Rob?

24 MS. COX: Thank you.

25 MR. LONGAKER: Thank you. Appreciate it.

1 MR. MOORE: Thank you.

2 CHAIRMAN McCUSKER: The Arena Site, Mr. Collins.  
3 We have a lot of land and a lot of possibilities.  
4 No deeds.

5 MR. COLLINS: No deeds.

6 Mr. Chairman, Members of the Board, are you  
7 wanting me to give a status report?

8 CHAIRMAN McCUSKER: Yeah.

9 (Mr. Ritchie left the proceedings.)

10 CHAIRMAN McCUSKER: Let's talk about -- I think  
11 the last meeting, we asked you to continue forthwith to  
12 obtain the deed to this property. I understand we're  
13 dangerously close.

14 MR. COLLINS: Mr. Chairman, Members of the Board,  
15 we are dangerously close. I understand the form of the deed  
16 has been agreed upon.

17 The deed is, as I understand it, ready to be and  
18 is on the Mayor's desk. Once he signs it, it will be placed  
19 into escrow. I'd hoped that that would be done before we  
20 talked about this today.

21 But it hasn't been done; the escrow's been opened.  
22 There are a couple of the things that I believe need to be  
23 addressed before we actually transfer title. Let me kind of  
24 point them out to you. I think November 5th is something --  
25 that date's going to end up becoming a busy time.

1           As you folks know, you commissioned and had a  
2 Phase I study of the property done. That Phase I study is  
3 the type of inquiry that you have to do to bring, with  
4 title, the defenses to environmental matters.

5           There is also a question of whether you need to  
6 take the next step to Phase II. That is an item that you  
7 can do or choose not do; it's really your call. That's just  
8 an easy issue in my opinion.

9           There's two other issues. One of them, as you  
10 know, the settlement agreement provided that the City would  
11 maintain the Greyhound Bus station on the site. It's  
12 pursuant to a lease. The City gets to keep their income  
13 from that particular agreement with the Greyhound. And the  
14 City has to pay to relocate the Greyhound whenever it needs  
15 to do that or wants do that.

16           It has to relocate the Greyhound when title is  
17 vested in this Board or this District and you have a final  
18 plan from the City of Tucson for development and you give  
19 the City a year's notice. For example, if you got title  
20 today, you got a plan tomorrow, we gave notice the very next  
21 day, a year after that, you could begin your development.  
22 That's what the settlement agreement says.

23           But the settlement agreement didn't put context to  
24 that. So what I've agreed to -- or proposed is a ground  
25 lease, where that memorializes all of that, sets forth in a

1 ground lease that essentially slides underneath the existing  
2 leases; it memorializes how those leases are terminated;  
3 confirms that the City has to renew that on a regular basis.

4 I hope -- I'm confident that at the next meeting  
5 I'll bring that agreement to you for your review and  
6 hopefully approval.

7 We are not as far along dealing with the parking.  
8 I've learned recently that ParkWise actually leases out some  
9 of the parking spaces on the north portion of the Arena  
10 Site. It's my advice to you folks that we do something with  
11 that. We either take it and terminate that arrangement; or  
12 you take it and you folks shoulder the burden of renting the  
13 spaces; or that you enter into a license agreement whereby  
14 the City can continue to do that in exchange for a fee, and  
15 you can terminate it quickly.

16 Those are the things that I think remain for this  
17 Board to decide upon before you close the escrow.

18 CHAIRMAN McCUSKER: Mr. Sheafe?

19 TREASURER SHEAFE: As to the Phase I, by  
20 performing the Phase I, have we then -- and if you could  
21 just be a little more clear -- mitigated the exposure on the  
22 environmental issues in terms of having not properly taken  
23 the steps we need to as an owner.

24 MR. COLLINS: Yes. Mr. Sheafe, by doing the  
25 Phase I, you've done the appropriate investigation -- I

1 think that's the terminology in the federal statutes --  
2 because as a prospective purchaser, you've done the  
3 appropriate investigation.

4 (Mr. Ritchie reentered the proceeding.)

5 MR. COLLINS: What that does for you is it creates  
6 for you defenses. When you take title, it's a series of --  
7 it's bona fide purchaser, innocent landowner, defenses.

8 Those defenses, however, can be lost if you don't  
9 do certain things after you take title. Those certain  
10 things could involve providing information to the federal  
11 government, remediation, all kinds of different items.

12 You can minimize what you have to do after taking  
13 title, as you know, Mr. Sheafe, by doing a Phase II. That's  
14 a choice that you're -- you ought to be making.

15 TREASURER SHEAFE: If we did the Phase II, we end  
16 up really with the same condition in terms of our defenses.  
17 It just may be a slightly smaller list or not.

18 MR. COLLINS: Correct.

19 TREASURER SHEAFE: We already have the defenses.

20 MR. COLLINS: That's a -- and it narrows how you  
21 can lose those defenses.

22 TREASURER SHEAFE: Yes.

23 MR. COLLINS: This is a treacherous area, as you  
24 know and all you developers know.

25 You can narrow the defenses. But right now,

1 you've done what you need to do before you take title.

2 CHAIRMAN McCUSKER: How long would the Phase II  
3 take?

4 MR. COLLINS: The estimate has been 90 days. The  
5 cost has been \$58,000.

6 CHAIRMAN McCUSKER: So right now Mr. Collins is  
7 under our instructions to get that deed as is where it is.  
8 Does anybody want to change your mind?

9 TREASURER SHEAFE: I would strongly support we get  
10 the deed and try and get ourselves in a position of  
11 strength. We already have that motion passed. And I can't  
12 see a reason in the world to disturb it.

13 MR. MOORE: Second.

14 SECRETARY IRVIN: Concur.

15 CHAIRMAN McCUSKER: No action required.

16 MR. COLLINS: No action required for that.

17 I'm telling you folks that I'm going to prepare  
18 the rest of that documentation, for you folks to evaluate  
19 and either approve or disapprove, perhaps by the November  
20 meeting. I'd like to think that, at least on my agenda for  
21 you folks, the Arena Site is el numero uno.

22 SECRETARY IRVIN: Do you think that's something  
23 that you would have for us to be able to discuss at our  
24 special November 5th meeting?

25 MR. COLLINS: I certainly do, the ground lease.

1 And I hope to be able to give you more information on the  
2 parking. But I'm confident, I've almost got the I's dotted  
3 and the T's crossed on the ground lease. The ParkWise  
4 situation is rather knew to me.

5 The deed is done. The conveyance deed is done.  
6 We just need --

7 SECRETARY IRVIN: Just not signed.

8 MR. COLLINS: Not signed.

9 I suspect, by the way, that it will be delivered  
10 into escrow by the City with a series of conditions. If  
11 those conditions obviously are reasonable, I don't see why  
12 we can't proceed forward with all of this.

13 CHAIRMAN McCUSKER: And the site does come over  
14 with the Peach Property claim.

15 MR. COLLINS: It does. It does. You -- yes, yes.  
16 So the Peach, if they want to sue anybody, because they were  
17 the successful bidder or the responder to the City's RFP,  
18 they would sue you.

19 MR. MOORE: Maybe.

20 CHAIRMAN McCUSKER: Specifically.

21 MR. MOORE: Maybe.

22 CHAIRMAN McCUSKER: Oh, I thought you said "me."  
23 I said, specifically.

24 MR. COLLINS: Yeah. I'm sorry. It's the generic,  
25 the Board, the District, yes.

1           SECRETARY IRVIN: You just got out of the lawsuit  
2 business. There's a chance we'll go back in?

3           MR. COLLINS: Yes, that's correct.

4           CHAIRMAN McCUSKER: It would be alphabetical by  
5 first name.

6           SECRETARY IRVIN: I'm glad Mark's after Fletcher.  
7 I'm really glad Alberto's first and so is Chris.

8           MR. COLLINS: Frankly, I suspect Peach Property --

9           SECRETARY IRVIN: And Cody. We'll be at the tail  
10 end of this thing before we come up.

11          MR. COLLINS: I think they'd sue both of us, but,  
12 yes.

13          CHAIRMAN McCUSKER: All right. Thank you for  
14 that.

15          Nancy, you ready? You've been very patient.

16          MS. MONTOYA: Oh, I'm learning a lot.

17          CHAIRMAN McCUSKER: I know you are.

18          MS. MONTOYA: A lot of good stuff.

19          CHAIRMAN McCUSKER: You can still change your  
20 mind.

21          Step up and introduce yourself.

22          Alberto and I have met a couple of times. I don't  
23 know if Nancy Montoya needs any introduction, but we'll have  
24 her do one anyway.

25          MS. MONTOYA: Well, my husband is Kirt Ijams, or

1 Mr. Montoya as many of you know.

2 CHAIRMAN McCUSKER: But as you know, we've talked  
3 about some PR challenges around the District, the  
4 possibility of perhaps changing our name. We're doing a lot  
5 of work on behalf of our merchants. They want to propose  
6 some new ideas in that regard.

7 So please, take it away.

8 MR. IJAMS: Great. I want to thank the Mission  
9 having us address them and take a look at this proposal.

10 We're a nonprofit news source. Nancy Montoya and  
11 I are a husband-and-wife team. Our background is simple.  
12 We are from Tucson. I'm a actual native of Tucson,  
13 St. Mary's Hospital and grew up here in town. I've lived in  
14 area areas but spent most of my time here. Nancy is from  
15 the Clifton-Morenci area, is the daughter of a copper miner.  
16 We're -- went to school here, alumni from the University.  
17 And we've been together and produced public relations and  
18 marketing programs for almost 24 years.

19 Nancy's went to the UofA and Duke. Nancy, I can  
20 tell you, is the world -- national champion twirler on the  
21 UofA band. She was the Z in Arizona when Jack Lee was the  
22 band director.

23 MS. MONTOYA: And wanted me to wear a blonde wig  
24 at the time. This was the '70s.

25 MR. IJAMS: So -- and we all have a lot of respect

1 for Tucson. We grew up here. I can remember going downtown  
2 when all the department stores were here. We used to get  
3 dressed up and put a coat and tie on and eat dinner at the  
4 Pioneer Hotel. And I remember this when it was a fine place  
5 to be in. And we have a personal interest and stake in  
6 Tucson that we'd like to contribute to.

7 So the -- let's see. Where are you here?

8 Nancy's had quite a few awards. She's won the  
9 Silver Baton Award from duPont-Columbia which is the ones  
10 that award the Pulitzer Prize. Dan Rather give Nancy an  
11 award for reporting in Central America. She was with John  
12 Quinones and ABC at the time. And so Nancy has a real  
13 history of long-time work, Emmy award winning work.

14 We have a crew, all local people, shooters, editor  
15 is the senior editor over at the PBS station here in town  
16 and works for us also. So we have a staff. We own our own  
17 gear, cameras, lights, television equipment, so we don't  
18 have to go out and rent things. We operate with a pretty  
19 reasonable overhead.

20 MS. MONTROYA: And that good-looking boy on the  
21 corner is our son. I'm not quite sure what he does, but he  
22 hangs around us an awful lot.

23 MR. IJAMS: Our proposal is, it's a two-phased  
24 proposal that's simultaneous. We're suggesting that a name  
25 change is an appropriate thing to do. With all of the

1 exciting changes in Rio Nuevo, the settlement of all these  
2 issues, the recent release of the legal information, and so  
3 on, it's time for a new beginning. And we have developed an  
4 idea that will be fairly simple, inexpensive, and will bring  
5 in community support from all over on this.

6 This would involve a contest among high school  
7 seniors. We have schools picked out in all of the districts  
8 of the City Council people. And in each one of these wards,  
9 a high school would be picked -- or pardon me -- a high  
10 school is picked, a student is -- entries are requested from  
11 that high school and forwarded to the ward office for the  
12 councilman from that area. And the finalist then would pick  
13 the award winner from them. So we would have six possible  
14 names that could be advanced.

15 We've spoken with the City Council people. We  
16 have the Metropolitan Education Commission, which is on  
17 Broadway, which is a City-County joint effort run by  
18 Dr. June Webb-Vignery. They've agreed to be the group that  
19 will supervise the students. They have ambassadors in the  
20 school already. And they will supervise all this and help  
21 put it together.

22 CHAIRMAN McCUSKER: You kind of skipped over the  
23 City Council part. How did that go?

24 MR. IJAMS: This has gone real well. We've gotten  
25 open interest in this. And they see this as a real good

1 plan. This is nonpolitical. This is a way to do it.

2 Also the students will get scholarship money for  
3 the one that's -- each one that's picked for the entry name.  
4 We're proposing an idea that funds go to them for small  
5 scholarships for school.

6 MS. MONTOYA: One of the things that we thought  
7 would be really important is that we make it truly a  
8 community experience and by involving the young people, who  
9 have a stake in this community as well. We're looking at  
10 seniors who are look for money, too. So we've approached  
11 the UofA and Pima College and they are willing to -- they  
12 haven't said so in writing, but verbally -- to match any  
13 scholarship monies that Rio Nuevo would provide.

14 So we would have six winners. And the City  
15 Council person and a staff person and a youth person would  
16 pick the winner from each one of those wards. Then those  
17 six winners come to you folks, and you folks select the  
18 final winner. That winner gets a thousand bucks. So it's  
19 truly a way to involve the whole community.

20 Involving the MEC is terrific. They're right on  
21 the Corridor. They're at Broadway and First. There's 34  
22 citizen commissioners who report to the City and the County,  
23 so they have a great relationship. Talk about relationship  
24 building. The Commission already works with almost every  
25 school district in the country. And the kids from the MEC,

1 they're called student ambassadors, they would actually kind  
2 of administer the contest. They're already in all the  
3 schools helping kids apply for scholarships. So this is  
4 just one more thing they would have to do.

5 Budget, everybody always wants to ask us about  
6 budgets. It's broken down really simple here. The students  
7 would get \$500 each, six individual wards, three grand. The  
8 grand prize winner, a thousand dollars. MEC, to administer  
9 this, would go to the student ambassadors for \$500. And  
10 then our fee is \$65 an hour, not to exceed \$1500. And  
11 that's a total of \$6,000.

12 So that's kind of it in a nutshell. There's a lot  
13 of things to be discussed, such as what are the parameters  
14 for the contest? We'd have to write up, and have the Board  
15 be in agreement, that, you know, we don't want to have silly  
16 name, things like that, but serious names; maybe some  
17 historical background. We would give each one of the  
18 schools a page of rules of what they would have to do. And  
19 the students would submit a reason why they selected that  
20 name.

21 So any questions or discussion?

22 MR. MOORE: A timetable of when the event would  
23 start?

24 MS. MONTROYA: If we get Board approval, we can  
25 have this in the schools within, I would say, ten days. And

1 we could have the names all completed by the first of the  
2 year.

3 TREASURER SHEAFE: So that part of the  
4 recommendation is the \$6,000 budget.

5 MS. MONTOYA: Right.

6 TREASURER SHEAFE: And I might ask, Mark, are we  
7 allowed to use Rio Nuevo money for contests?

8 MS. MONTOYA: Scholarships.

9 MR. COLLINS: I don't have an answer for that  
10 right now.

11 CHAIRMAN McCUSKER: Always a troublemaker.

12 MR. COLLINS: But if the Board chooses to proceed  
13 forward with either of the components of this proposal,  
14 you're going need direct me and my office to prepare the  
15 appropriate agreements to come back to you for approval, if  
16 that's what you want to do. I will have an answer to you on  
17 that one.

18 MR. RITCHIE: Can you back up to the prices of  
19 what you were paying the kids on the scholarship, please?

20 MS. MONTOYA: Just a second here. You're thinking  
21 I can do that real easy, huh?

22 CHAIRMAN McCUSKER: But if the UofA matches it,  
23 the winner will win \$1600 because he's a winner -- he or she  
24 is a winner in the top six, then will win an additional  
25 thousand --

1 MS. MONTOYA: Thousand dollars, so 1500.

2 CHAIRMAN McCUSKER: -- and then that will be  
3 doubled. You're talking about a \$3200 scholarship.

4 MS. MONTOYA: Yeah. We've gotten especially a lot  
5 of interest from Pima College. The Hispanic alumni  
6 association from the UofA, I've talked to them. Again, I  
7 haven't gotten anything in writing but lots -- people love  
8 to do matching scholarships.

9 MR. RITCHIE: A suggestion I might make if, Mark,  
10 we cannot do this, is perhaps as a Board we talk amongst  
11 ourselves and fundraise for this. You know, my worry is  
12 just the perception in going through the name change is --  
13 which I think is something we need to do -- but it should be  
14 a community -- a volunteer thing. It would be nice for  
15 these young people to get some money.

16 If we can't do this -- I mean, it's only money,  
17 right? It's only money. And if we can't do it, you know,  
18 maybe some of us on this Board would be able to raise it  
19 amongst ourselves.

20 I know from past experience of going to some of  
21 these other people, it's sounds great --

22 MS. MONTOYA: Yeah.

23 MR. RITCHIE: -- but it's hard to cut through the  
24 bureaucracy to get that money. And we could be talking  
25 about this a year from now.

1           MR. COLLINS: Mr. Ritchie, if I can go back to  
2 Mr. Sheafe's question, it's going to be a stretch for you  
3 guys to do it. Our -- 48-4204 is the one that restricts  
4 what you guys can do -- you guys -- what the Board and the  
5 District can do until we have a notice to proceed on a hotel  
6 and a convention center.

7           One of them is contractual obligations incurred  
8 before 2009; that wouldn't be this. Debt service for the  
9 bonds; that wouldn't be this. Design construction for a  
10 hotel; that wouldn't be this. But the one spot you might be  
11 able to look at is fiduciary, reasonable legal and  
12 administrative expenses of the District. That is something  
13 where it might work.

14          MR. MOORE: I don't understand. This isn't --  
15 we're paying for marketing costs. We have in the past.  
16 What does that fall under?

17          MR. COLLINS: It's number 3.

18          MR. MOORE: It is?

19          MR. COLLINS: Fiduciary, reasonable legal, and  
20 administrative.

21          MR. MOORE: Okay. And so why wouldn't this fall  
22 under that?

23          MR. COLLINS: I'm not going to --

24          CHAIRMAN McCUSKER: That's the question, would a  
25 direct scholarships to a student be considered a marketing

1 cost legitimately under our budget? That's the part that  
2 had to be raised. You know, we might be able to pay the  
3 pure marketing piece of this, but maybe not the scholarship  
4 piece of this.

5 MR. COLLINS: Well, the Board is obligated to  
6 market in the District. There's no question about that.  
7 Changing the name, marketing to change the name is an  
8 interesting component. I don't know about that. Like  
9 everything else, we've got to take it one step at a time.

10 MR. MOORE: Who would be the objection? Who would  
11 bring down the objection?

12 MR. COLLINS: Yeah. I think that's your best  
13 answer right there. I mean, a third party, any third party  
14 can bring an action.

15 MR. MOORE: Right.

16 MR. COLLINS: So that's the issue.

17 CHAIRMAN McCUSKER: It's not a matter -- it's just  
18 a slippery slope.

19 MR. COLLINS: It is.

20 CHAIRMAN McCUSKER: I mean, it doesn't matter  
21 whether it's a hundred dollars or a hundred thousand  
22 dollars. If this is outside of our purview, we can't do it.

23 MR. COLLINS: Yes, right.

24 CHAIRMAN McCUSKER: We do marketing all the time  
25 and spend money on marketing all the time. We have

1 marketing consultants. I don't think there's any issue  
2 there. I think it will boil down to: Can we use Rio Nuevo  
3 funds to fund a scholarship?

4 You know, we have other money that's not TIF  
5 money.

6 SECRETARY IRVIN: Right.

7 CHAIRMAN McCUSKER: What you just read there is  
8 restriction to TIF funds.

9 MR. COLLINS: Right. That's true.

10 CHAIRMAN McCUSKER: You know, we get money from  
11 the City now as part of the settlement agreement. What  
12 better way to spend that? You know, we have interest that  
13 collect off of our indebtedness.

14 And you know, we have parking revenue. We have  
15 rent. You know, we have other source of funds that may get  
16 around that particular -- I think that's specific to the use  
17 of TIF funds.

18 MR. COLLINS: Yes, it is. It is.

19 CHAIRMAN McCUSKER: So it sounds like we probably  
20 need just a little research from you on the allowability of  
21 this.

22 MR. COLLINS: Yes.

23 CHAIRMAN McCUSKER: But I do think that what you  
24 read, it's my understanding, that's how we spend TIF money.

25 MR. COLLINS: It is.

1           CHAIRMAN McCUSKER: You know, we have a variety of  
2 other income sources that are not restricted.

3           MR. COLLINS: Right. And you have to spend bond  
4 money on bond projects. And there's certain -- in other  
5 words you couldn't take --

6           CHAIRMAN McCUSKER: We have rental income.

7           MR. COLLINS: Right.

8           CHAIRMAN McCUSKER: And we have interest income.  
9 We get the City settlement money from the Depot Garage. You  
10 know, we have other sources of cash.

11          MR. COLLINS: So I'm attempting to respond to your  
12 question, Mr. Sheafe.

13          And hopefully, Mr. Ritchie, that gives you some  
14 thoughts, too.

15          CHAIRMAN McCUSKER: What do the other Board  
16 Members think just about the idea?

17          MS. COX: I think it's a great idea. In fact, I'm  
18 prepared to make a motion.

19          CHAIRMAN McCUSKER: Go ahead.

20          MS. COX: I move that, contingent on Counsel  
21 determining that we have the legal ability to spend these  
22 dollars, that Rio Nuevo allocate up to \$6,000 for this  
23 contest to select a name and provide scholarships to  
24 students.

25          CHAIRMAN McCUSKER: There's that word "allocate"

1 again. I'm in charge now. So what we need you to do is  
2 move to approve this plan and spend the money, subject to  
3 your approval, because "allocate" means we set aside money.  
4 We don't want to set aside money. We want to spend the  
5 money. So if you would amend your motion to authorize us to  
6 approve this plan subject to Counsel's --

7 MR. RITCHIE: Could I make a point before --

8 MS. COX: So amended.

9 CHAIRMAN McCUSKER: Okay. We don't have a second  
10 yet, so...

11 SECRETARY IRVIN: I'll second that.

12 CHAIRMAN McCUSKER: We'll come back to make sure  
13 we have the motion we want.

14 But, Cody, go ahead.

15 MR. RITCHIE: I think that this name change and  
16 this marketing is symbolic. It's a symbolic gesture. It's  
17 to show the public that we are -- we're starting fresh. And  
18 I know it's just a small, small sliver of money. It's just  
19 a small sliver of money. But I think that the perceptions  
20 show that the public -- that I would rather table this for  
21 another month and try to raise that.

22 And I -- if I could, I would take the lead in  
23 raising that money amongst downtown merchants, businesses,  
24 and things like that, so we don't have to raise one nickel  
25 just to have that one person that's turned off by us having

1 to dip into the \$6,000. No, it's not -- in the whole, grand  
2 scheme of things, it's really nothing. But I just -- I  
3 think it would be easy for us to raise that money.

4 And I already have thoughts in my mind. That's  
5 kind of what I do. And I just would like to maybe table  
6 this until the November 5th meeting and see if we can't  
7 raise 6,000 bucks.

8 SECRETARY IRVIN: Doesn't it also cause more  
9 problems for us out soliciting our merchants to --

10 MR. RITCHIE: I'm not even talking merchants  
11 downtown. I'm talking businesses downtown, people that care  
12 about the community, people like ourselves who are  
13 volunteering for this Board that don't really benefit. But  
14 they benefit, in the big picture, from a vibrant downtown,  
15 but not so much downtown merchants.

16 SECRETARY IRVIN: So what would it look like if we  
17 approve this and then you came in next meeting with \$6,000  
18 in your pocket?

19 MR. MOORE: I think that's the right way to do it.

20 SECRETARY IRVIN: If you think you could do it,  
21 then let's.

22 MR. MOORE: Well, we could do both. Why not ask  
23 the Board if we could raise money outside?

24 MR. RITCHIE: Yeah.

25 CHAIRMAN McCUSKER: I'm not sure, did we get a

1 second to the motion?

2 SECRETARY IRVIN: I did. I seconded it.

3 MR. COLLINS: Oh, you did.

4 CHAIRMAN McCUSKER: All right. So Jannie's motion  
5 is to proceed with the plan to authorize the expenditure of  
6 the budget subject to Counsel's approval. Cody's offered to  
7 engage in fundraising that money rather than us spending it.  
8 Mr. Moore suggested they're hand in hand, that you could  
9 approve the motion and still we could commit to raise the  
10 money.

11 TREASURER SHEAFE: Call for the question?

12 MR. MOORE: I second that.

13 MS. COX: Sounds good to me.

14 MR. MOORE: You -- Mark, you seconded it.

15 CHAIRMAN McCUSKER: We got one motion on the  
16 table. A call for the question. So all in favor of  
17 Jannie's motion to approve the plan subject to Counsel's  
18 approval, signify by saying aye.

19 (Ayes.)

20 CHAIRMAN McCUSKER: Any opposed?

21 All right.

22 Now you volunteered. Do you want to do anything  
23 further as an action item, you know, move that we  
24 collectively raise that money as an alternative? Or do you  
25 just want to --

1 MR. RITCHIE: Is it something we need to do?

2 CHAIRMAN McCUSKER: No. I mean, we could.

3 MR. RITCHIE: I would like to make the -- I don't  
4 have to make a -- I don't make a motion. I'd just make a  
5 statement that we're going to try to --

6 MR. COLLINS: Keep it a statement.

7 MR. RITCHIE: -- keep it -- yeah -- keep -- make a  
8 statement that I think that, you know, I'd like to engage  
9 some of you to see if we can't raise that money.

10 MR. COLLINS: Right.

11 CHAIRMAN McCUSKER: I'd be happy to help.

12 MS. MONTOYA: And I can arm you with all the  
13 materials you need, any kind of printouts you might need.

14 Well, going on to second part of this -- yes?  
15 Ready?

16 CHAIRMAN McCUSKER: Yes. Go ahead.

17 MS. MONTOYA: Okay. Phase II, we've just talked  
18 about how Phase I, the name change, is just a sliver of what  
19 we have to do.

20 One of the things that I believe has been lacking  
21 with Rio Nuevo is that you have a natural output for all the  
22 negative stuff in terms of the newspapers and the television  
23 stations. But you don't really have an output for the  
24 positive things that are happening.

25 One of the things that we are proposing is to

1 create an auxiliary website for the Rio Nuevo basic website  
2 that becomes a video magazine. And this video magazine is  
3 to highlight, first of all, the name change, and then to  
4 highlight the businesses along the corridor, and then also  
5 to highlight and promote downtown.

6 Just keep going. I'll catch up to it.

7 We're thinking that we can do a wonderful job of  
8 finding out if this works within 29 weeks. That's about the  
9 standard amount of marketing time that you need to know if  
10 something really works. A one-shot deal does not work.  
11 Two-shot deal doesn't work. It needs to be something that's  
12 on a regular basis, a steady drum beat.

13 We propose creating subgroups among the merchants  
14 along the entire corridor. You can create a group of  
15 merchants that are alike, such as restaurants.

16 Go ahead. Just keep going. I'll keep up with  
17 you.

18 Or something that's completely different where  
19 they don't -- they don't compete with one another. We've  
20 done this in many instances.

21 I think one way to show you what it might look  
22 like is we recently did Better Business Bureau here where we  
23 put together three different groups, organizations.

24 And I'll let it play for a minute.

25 VIDEO: We're a simple body shop company. We feel

1 that community service is a active part of our -- it's part  
2 of our mission. It's part of our values. What I like the  
3 most about what we do is that we engage a lot of our  
4 employees in activities and charitable events. We have a  
5 foundation -- a formal foundation at 911 Collision Centers  
6 community foundation. And we raise funds --

7 MS. MONTROYA: What we're proposing to do is give  
8 each business around two minutes. They can use that two  
9 minutes to sell something or to sell an emotion or to sell  
10 who they are, to tell who they are, any way the business  
11 wants to use it.

12 VIDEO: We know that folks have concerns about who  
13 they trust their vehicle repairs with. So -- does a  
14 wonderful job of informing the community of who their  
15 business are. I'm blessed to have -- you know, anything  
16 that we've been given is a blessing. And we need to share  
17 that.

18 MS. MONTROYA: The next video is our wonderful RTA,  
19 which has faced a lot of -- the RTA has faced a lot of  
20 problems in the past, as you all know. We were commissioned  
21 to go in and tell the story of the RTA, how they started,  
22 how they progressed. And not only that, we had to pull in  
23 all of the cities and businesses in the area. Talk about a  
24 community relations nightmare. But this has been very  
25 successful in quieting a lot of people who were opposed to

1 the RTA.

2 VIDEO: And the City Council, well, jumped into  
3 action to restrict these speed demons to seven miles an  
4 hour. So began Pima County's love/hate relationship with  
5 the automobile.

6 MS. MONTROYA: Kind of gives you an idea of what  
7 we're thinking, what we're envisioning.

8 The other thing is profile pieces. There's a lot  
9 of interesting people in Tucson and along the corridor that  
10 are not promoting.

11 Next one.

12 Here's a recent -- sorry, folks. This is out of  
13 line. We also produce in Spanish. So just about everything  
14 we do in English, we can do in Spanish.

15 (Video in Spanish played.)

16 MS. MONTROYA: Okay. Go to the next one. One  
17 more.

18 So anyway, that's the basic idea, is that every  
19 week we would go out to the Corridor, and we would profile  
20 the businesses. And the story would be whatever the  
21 businesses want. Do they want to talk about their history?  
22 Do they want to talk about -- I don't know -- what they're  
23 marketing? It's really up to them. We would put groups  
24 together.

25 Keep going. Let me do it.

1           This is kind of hard doing it from over here. So  
2 I'm hoping you can hear me.

3           We would do one primary interview with an owner, a  
4 manager, or even a customer, whatever the businesses want.  
5 Again, they're the ones who'll select the person to be  
6 interviewed. Each segment runs about two minutes.

7           In the editing process, the interview is  
8 transcribed. We add music and graphics. The finished  
9 segment is then sent to the business, to the merchant, so  
10 that they can approve it. Every single week a new show is  
11 uploaded to the website. So it stays current. We'll do an  
12 extensive email marketing. It's done to build the  
13 viewership. And we can also maybe work together with  
14 current marketing plans, where you're already buying radio  
15 time, to drive more traffic to the website.

16           Advantages to business, business splits the cost  
17 with the Board. They also split the cost with other  
18 merchants. And they can stay on the website as long as they  
19 want. They pay that initial fee to get -- for us to go in  
20 and produce. But they can keep it on the website for as  
21 long as they want for \$15 a month.

22           The merchant will get a DVD copy. They'll also  
23 get an electronic download. So they can use it on their own  
24 website.

25           And we've also talked about this, the idea of this

1 footage that we're showing, that we're videotaping, is very  
2 valuable. What do you do with all of this footage after it  
3 runs one time on the website?

4 One of the ideas in talking to Alberto and  
5 Fletcher was to put together a half-hour show, maybe times a  
6 year, where we focus on the good stuff that's happening.  
7 And we go in and we buy airtime at the local TV stations and  
8 split that cost among the merchants and Rio Nuevo.

9 Budgets. All right. So here's what we plan to  
10 do. We'll organize. We'll interface with the businesses.  
11 We'll do all the videotaping, create the scripts. We'll do  
12 everything.

13 Okay. Here's how the costs run down. Weekly cost  
14 is \$3,000 a week. That includes producing a show, getting  
15 the website up and running, and maintaining the website.

16 Your investment, the Rio Nuevo investment, for 29  
17 weeks is half that cost. The other half we get from the  
18 merchants. And the way we're going to divide it is that it  
19 can either be three merchants at \$500 each -- they get a  
20 little bit more airtime -- or six merchants \$250 each --  
21 they get a little less airtime.

22 The idea is that, eventually, the website and the  
23 video magazine will pay for itself. At some point, Rio  
24 Nuevo steps out and the businesses take over.

25 This is kind of a nutshell idea of what we've

1 proposed. Any questions or comments? I know there's going  
2 to be lots.

3 Jannie?

4 MS. COX: Nancy, what -- who's going to watch it?

5 MS. MONTROYA: Here's the marketing strategy. It's  
6 called target marketing. All of the businesses, the  
7 merchants, already have their own email lists of who they  
8 send -- their own clients. And they've established these.  
9 Almost everyone does.

10 MS. COX: Right.

11 MS. MONTROYA: So when you are on, you're going to  
12 send your clients an email -- which we'll design the whole  
13 thing -- and to tell them, this week we're on. It builds  
14 over the weeks.

15 MS. COX: We're on what?

16 MS. MONTROYA: On the website.

17 MS. COX: Just that their two minutes is on the  
18 website?

19 MS. MONTROYA: Just on the website. But it's more  
20 of a show than it is a two-minute spot. What we would do is  
21 we would make it interesting. That \$1500 the Rio Nuevo puts  
22 in, we'll do happening in Rio Nuevo. I sat here and heard  
23 three or four really good story ideas just sitting here.

24 So it becomes more of a -- not just businesses  
25 advertising, but it's kind of a program, magazine style,

1 what's happening with Rio Nuevo?

2 Does that make sense?

3 MS. COX: It does, but that's just a piece of  
4 organizing the show and putting it together. And it's a  
5 huge project.

6 MS. MONTOYA: Well, you know, the marketing and --  
7 Pittsburgh has done this. Pittsburgh did this same idea  
8 with the -- all of the downtown area when they were trying  
9 to figure out, how do we advertise downtown?

10 You find that if I was to put this up on Channel  
11 9, I'm going to get viewers from all over Tucson that rarely  
12 go to the area we're targeting. The better thing to do is  
13 to target a smaller group through emails and make -- these  
14 are people who have already gone there. They already know  
15 the businesses. So what we're trying to do is just shove  
16 them back to that area again. And by doing it on email --  
17 we'll also send this out to all the TV stations -- make no  
18 mistake -- so if the TV stations want to pick up something,  
19 they can do that.

20 CHAIRMAN McCUSKER: Mark?

21 SECRETARY IRVIN: So a couple of things. First,  
22 why would we do this as a brand-new, standalone website when  
23 we're already trying to drive people to our website? Why  
24 would that not be important? That's Question 1.

25 MS. MONTOYA: Here's the whole idea. If -- I

1 think we go -- you can get online here and I can show you  
2 exactly how it's worked in the past.

3 Okay. Here is the Make Way For Books website.

4 Okay? We don't change their website at all. What you do is  
5 here, see right in here?

6 CHAIRMAN McCUSKER: Mm-hmm. It's a link.

7 MS. MONTOYA: It's a link. And that's what  
8 creating an auxiliary link is all about.

9 SECRETARY IRVIN: So it is a portal.

10 MS. MONTOYA: It's a portal, yeah. And what we do  
11 in here, as you can see here -- back to the Make Way For  
12 Books website -- so we go back and forth.

13 It's kind of seamless in that -- sorry -- hold on.

14 So what it does is that, you can -- we'll still  
15 use the Rio Nuevo website. It will be up there. But there  
16 will be a link, a portal link to an auxiliary website. It  
17 makes it a lot easier to change things.

18 I think, Michele, you know how difficult it is to  
19 go in and change things. I'm a web builder. So -- and I  
20 have --

21 SECRETARY IRVIN: I'm fine with the portal  
22 situation. I just didn't want to have a completely  
23 separate, standalone website.

24 And the second question I have -- and it's  
25 something we've talked about on and off for years -- but it

1 would be neat to be able -- whether it's by virtue of a fee  
2 or whatever we do -- that people that have properties that  
3 are in the District would have an -- have a portal where  
4 they can list their properties. We've talked about it and  
5 not really done anything with it.

6 I'm just kind of curious if that might be  
7 something, if we're going to go this route for that --

8 CHAIRMAN McCUSKER: Someone's got to give us the  
9 content for that.

10 SECRETARY IRVIN: Right.

11 CHAIRMAN McCUSKER: I mean, you or somebody's got  
12 to constantly update that.

13 MS. MONTOYA: Right. I can update things in a  
14 matter of minutes. It doesn't take me hours or days to  
15 update things.

16 So your auxiliary website -- you know, you leave  
17 your stationary website the way it is because there's a lot  
18 of legal stuff that you need to have on this. This is the  
19 fun side. This is the active side. It's living. It's  
20 breathing. It's moving. It's pictures.

21 MS. COX: So if I am a business in the Rio Nuevo  
22 District, I'm Jannie's Trinkets.

23 MS. MONTOYA: Right.

24 MS. COX: I want my two minutes on the show. And  
25 I sent out an email to my 2,000 people in my email database,

1 do I send them to the Rio Nuevo site?

2 MS. MONTOYA: You do.

3 MS. COX: Okay.

4 MS. MONTOYA: You do. And then from there, you  
5 tell them, click on the video magazine. So it goes to the  
6 video magazine. But what you've done --

7 MS. COX: So we would be, in a sense, driving  
8 people to our website in addition to this program.

9 MS. MONTOYA: Absolutely. And not only that, is  
10 that Jannie's Trinkets is within a show, so people are  
11 looking at what your companions in that show are also  
12 offering. And remember, they're doing the same thing with  
13 their people, so they're generating traffic to Jannie's  
14 Trinkets.

15 CHAIRMAN McCUSKER: Nancy, we've struggled with  
16 co-op with our merchants. One thing if you're talking to  
17 Wal-Mart. It's very different if you're talking to a small  
18 Jannie's Trinkets.

19 MS. MONTOYA: Yeah.

20 CHAIRMAN McCUSKER: And most of the opportunities  
21 we've created for them that cost money, they pass on.

22 MS. MONTOYA: Right.

23 CHAIRMAN McCUSKER: What makes you think this  
24 would be any different? Or would we be better off --  
25 another way to say that -- just doing this gratis to the

1 merchant where Rio Nuevo sponsored featuring your merchant  
2 because you're a TIF --

3 MS. MONTOYA: Right. Now, that might be a better  
4 way to go, is to start off that way so that people can see  
5 the benefit of it as they go along.

6 We're real good at community relations. That's  
7 what we do. I'll tell you, one of the hardest things we've  
8 ever had to do is get the other school districts in Pima  
9 County work with TUSD. And we were able to do that on a  
10 community relations federal grant. It was about an  
11 \$8 million grant. And we did all the community relations.  
12 And we were able to bring people to the table to participate  
13 to be part of it. So part of that is just mano a mano. We  
14 just get out there and we talk to people.

15 TREASURER SHEAFE: I'm trying to -- you know,  
16 you're talking -- let me just ask the question from the  
17 standpoint of a person that simply doesn't have time to do  
18 this kind of the thing. I mean, I just don't. And it's all  
19 I can do to get through emails for the day. And I'm always  
20 trying to figure out ways to reduce the amount of time I'm  
21 working on a computer or going -- you know, even with an  
22 iPad and whatnot, it's still, the information data is just  
23 overwhelming. And so I want to be very careful what I say,  
24 Nancy, so that you don't feel like I'm putting down what you  
25 do.

1 MS. MONTOYA: No, no. I understand.

2 TREASURER SHEAFE: I think we're getting an  
3 awfully good bang for our dollar on these radio commercials,  
4 which are just these little informal, hey, you know, there's  
5 great things happening downtown. And Bobby Rich is talking.  
6 And we could do that on a couple of stations and reach so  
7 many people doing that during the heavy drive time of people  
8 driving that it makes me wonder if this idea, which is  
9 obviously a good one -- and you obviously are extremely good  
10 at what you do -- isn't just a little premature.

11 So let me ask it that way and say, well, tell me  
12 I'm wrong. Because my sense is, we're still trying to  
13 rebuild.

14 MS. MONTOYA: Right.

15 TREASURER SHEAFE: I talk to people every day.  
16 And I don't mean to go on, but I want to put the question in  
17 right context.

18 Most people that I talk to are unaware of what's  
19 happening downtown. And so what I'm finding is that when I  
20 explain to them, well, do you realize how many  
21 restaurants -- do you know -- have you been down on a  
22 Saturday night? I've actually had people, once they get  
23 introduced, to call me back and say, you know, Chris, we  
24 went down, and we decided to go to dinner downtown, and so  
25 on. Wow, what an experience.

1           So we get so many -- you know, by using those  
2 radio ads and just things that -- you don't have to go do  
3 it. You're driving and it suddenly comes up on the radio  
4 and it's over. You kind of -- gee, I ought to be paying  
5 attention to that --

6           MS. MONTOYA: Right.

7           TREASURER SHEAFE: -- you know, the fourth or  
8 fifth time you hear it. It seems to me like that's so much  
9 better use of our money than trying to assume that we're  
10 going to get a bunch of people to go to a website, which not  
11 all of us have time to do that.

12          MS. MONTOYA: You're absolutely right. But the  
13 whole idea is not just to generate traffic downtown. It's  
14 also to appease and to promote the businesses along  
15 Broadway. And from those radio spots, you could very easily  
16 just add a line or two to that that promotes, and if you  
17 want to know even more what's happening with Rio Nuevo, go  
18 to our website. And so you get the best of both worlds that  
19 way. It's easy to promote a one place where people are  
20 going to a place.

21          TREASURER SHEAFE: Well, let me follow that up  
22 then. Would it make sense to have a component of our  
23 website that just simply said, here are the exciting things  
24 that are happening downtown, that we arrange with somebody  
25 like you to do rather than spend all this money going out to

1 individual businesses trying to get them to do all this  
2 stuff.

3           You know, there's a thousand businesses.

4           MS. MONTOYA: Yeah.

5           TREASURER SHEAFE: Well, you're not going to --  
6 you know, you're not going to get that many of them.

7 Nobody's going to sit and watch 1,000 two-minute videos. Or  
8 if they do, they don't have money to spend.

9           MS. MONTOYA: Because they're home watching TV.  
10 Right.

11           TREASURER SHEAFE: Yeah.

12           You're not going to get somebody like Mark or  
13 anybody that's productive that has that kind of time.

14           MS. MONTOYA: And it all -- it's a slow process.  
15 It's and not something that happens overnight. But if  
16 you're looking for an area to go to and you want to know  
17 what's happening in that area or -- and it can be anything  
18 we want it to be. So it doesn't necessarily have to be  
19 events. It can be, where are you going to get the good  
20 deals this week?

21           You were going to say something, Kirt?

22           MR. IJAMS: Well, I think one thing to remember,  
23 too, is that visualization -- there's so many changes and so  
24 much is happening in Tucson, unless you go downtown, unless  
25 you look at the changes, unless you see that streetcar, you

1 see the new buildings, the restaurants like you're talking  
2 about, you don't really think it.

3 I mean, we all have a picture of what we  
4 remembered it when it's been torn down and tumbleweeds  
5 coming through. And television, video shows you what's  
6 there, what's new, what the life is, what the sounds are.  
7 The only thing we can't put in is smell. So you know, I  
8 mean, it's -- there's a lot of advantages to visually  
9 showing you. And that's the one thing we bring to these,  
10 is --

11 TREASURER SHEAFE: I can see us maybe even doing a  
12 drive time little 30-second deal that's just, have you been  
13 downtown lately, that appears on the news shows.

14 And this is a really intriguing problem. Because  
15 I know that I talk to my grandkids, and they think email is  
16 nuts. They don't do that.

17 MS. MONTOYA: Oh, no, no.

18 TREASURER SHEAFE: And they won't talk on a  
19 cellphone. I can't get them to answer their phone.

20 MS. MONTOYA: No, no.

21 TREASURER SHEAFE: You got to text them.

22 MS. MONTOYA: Yeah, yeah.

23 TREASURER SHEAFE: You know, I mean, this whole  
24 revolution is going on in communications.

25 MR. IJAMS: Yeah.

1           TREASURER SHEAFE: That is intriguing because  
2 there's enormous potential with it. And there's also an  
3 ability to completely isolate yourself where you can't even  
4 talk to anybody because everybody went on and they're using  
5 a different form of technology.

6           MS. MONTOYA: Right. Well, we have a social  
7 marketing element to this that our website would be  
8 completely integrated with Twitter and Facebook and Tumblr  
9 and LinkedIn so that there's choices for everything.  
10 Everything will be sent out. When it's sent out -- when  
11 have a new show, that's all sent out on Twitter, on  
12 Facebook, we have a new show, and this is what's happening.  
13 Here are the neat things that's going on.

14           Let me ask the Board a question. Do you only want  
15 to promote downtown, or do you want to promote the entire  
16 Corridor? That's -- you know, that's one thing that you're  
17 going to have to answer for yourselves, is where is the  
18 promotion?

19           MR. RITCHIE: Can I make a -- just a couple of  
20 comments. So you said you listen to drive-time radio. I  
21 haven't listened to drive-time radio -- even though, my  
22 business, we advertise on drive-time radio, I haven't  
23 listened to drive-time radio in five years. I listen to  
24 Sirius radio. You know why? All of us have different  
25 modes.

1           The one thing is, our poor guy from the newspaper,  
2 but the Star's always getting torn apart. But they've done  
3 some great things lately where they've gotten a lot of  
4 really cool publicity on Facebook and stuff, like these  
5 pizza wars, these burger wars, all these things that have  
6 been going on with these merchants up and down.

7           I had a couple of buddies who had pizza parlors,  
8 and they were like at war with each other. They had like  
9 3,000, 4,000 likes.

10           MS. MONTOYA: Right.

11           MR. RITCHIE: It was -- and it's really kind of a  
12 new phenomenon that they -- and a bunch of those guys were  
13 on the Broadway Corridor there. So I think that -- you  
14 know, depending on the price and stuff like that, I think  
15 you kind of have to throw the kitchen sink at it getting  
16 people down there. And then social media is the 19-, 20-,  
17 21-year-olds.

18           And I mean, I do listen -- I'll listen to sports  
19 radio and stuff like that.

20           MS. MONTOYA: You know, one of the things that  
21 Pittsburgh does is they did a kind of treasure hunt where  
22 they involved -- what is it called? It's not a treasure  
23 hunt. It's a scavenger hunt. And I'll tell you what, they  
24 got the local media involved in it. And it generated  
25 people -- maybe people didn't physically go there. But they

1 knew the scavenger hunt was going on and they knew -- and  
2 the businesses were giving things away. And you know, at  
3 every place you went, you got something. You had a book.  
4 You filled it out. There's all sorts of ways to generate  
5 that excitement. But you have to have a venue to do it.  
6 You have to have a place to put it. And that's why a video  
7 magazine and a website.

8           Let's say you came to me and you said, you know,  
9 we're really doing well with this block that we're creating.  
10 And it's going to be a LEEDS building. And it's fantastic  
11 but nobody knows about it.

12           We go out, do the story on that, include that in  
13 the show, but also send that video to all the TV stations,  
14 all the newspapers -- they're kind of called VNR's, video  
15 news releases -- so that we keep them all into the loop of  
16 the positive stuff that's happening. Right now, how do you  
17 find out about it? You have to come to a meeting, pretty  
18 much, or sit and wade through all the paperwork.

19           CHAIRMAN McCUSKER: There are other places other  
20 than our site that would run this. The Downtown Tucson  
21 Partnership would be happy to feature these. They're  
22 looking for content all the time. They get a hundred  
23 thousand users a month looking at the downtown calendar.

24           MS. MONTOYA: What about Channel 12?

25           CHAIRMAN McCUSKER: The print media, you know, you

1 can't pay to play. You can pay to link this. And so when  
2 you're reading the Star, you're reading the online version  
3 of the Star. There's going to be a click-on, passthrough  
4 kind of thing. You know, so there are other opportunities  
5 to do that. I think what we're struggling with is just  
6 doing it exclusively on our own website, which we can't even  
7 tell you how many people come to that.

8 But you know, I think we are very interested in  
9 the campaign. And to answer one of your questions, the  
10 radio we're doing is Corridor-wide. We feature three  
11 different merchants a week, not unlike what you're talking  
12 about.

13 MS. MONTOYA: Right.

14 CHAIRMAN McCUSKER: We pay for it entirely. We're  
15 getting great feedback from the merchants. What we can't  
16 tell you is if we've increased any traffic to their stores.  
17 But we can tell you that they're very pleased with the fact  
18 that somebody's helping them market their businesses. And  
19 that's being done with Bobby Rich. He's a very popular  
20 morning personality.

21 MS. MONTOYA: Sure.

22 CHAIRMAN McCUSKER: And it's just the kind of  
23 thing you were talking about. So I do think there are ways  
24 to look at combining some of these efforts to where we're  
25 continuing to improve how we market our merchants.

1           It seems to me that this maybe is not fleshed out  
2 enough for us to --

3           MS. MONTOYA: Yeah. This is an initial idea.

4           SECRETARY IRVIN: The other thing that I'd like to  
5 see a study for, but I would also ask, if we're going to  
6 spend this kind of money, what would that look like if we  
7 had an agreement with the Star; if we had an agreement with  
8 Channel 4, Channel 9, what would that look like, you know,  
9 where we could go do that?

10          MS. MONTOYA: Right.

11          SECRETARY IRVIN: I just don't -- I don't have  
12 enough -- if I had to vote right now today, I wouldn't vote  
13 for it.

14          MS. MONTOYA: Yeah. And I --

15          SECRETARY IRVIN: I think I just need more  
16 information because I'm not able to make an apples to apples  
17 comparison. I spent this much money; what other avenues are  
18 out there. I do agree very much that video and that kind of  
19 visual media is a great media. It's not --

20          CHAIRMAN McCUSKER: Produced content, I mean,  
21 they're great videographers. Most of these channels now  
22 don't have a lot of the talent they have, which is why stuff  
23 is being freelanced. I do think this content could be  
24 placed sometimes for free as a PSA, you know, in other  
25 venues.

1           So let us work kind of another generation of this  
2 with you, Nancy.

3           MS. MONTOYA: Absolutely.

4           CHAIRMAN McCUSKER: I like the idea of some video  
5 presentation tied in with what we're doing with radio.

6           MS. MONTOYA: Well, you know Mr. Moore said --  
7 you've made some comments before about the City not giving  
8 enough on certain things. They have Channel 12. And  
9 they're always looking for content, well-produced content.  
10 Talk about being able to have a regular piece up on  
11 Channel 12 with a link to your website. And that's  
12 something you could get free from them.

13           TREASURER SHEAFE: Well, I think you're making a  
14 lot of sense, frankly. And I personally am a person who is  
15 intrigued with trying to -- how ever much longer I'm going  
16 be around -- I'd like to have some understanding of how the  
17 world has changed. Because I tell you it has absolutely  
18 changed.

19           MS. MONTOYA: It's fast.

20           TREASURER SHEAFE: You can really see it. And I'm  
21 actually thinking about switching over to a -- you know, you  
22 mention this -- the newspaper. But I'm thinking about  
23 changing my subscription so I do it electronically just to  
24 force myself to figure out how to deal with it. Because, to  
25 me, I like to pick up a paper and open it.

1 MS. MONTOYA: This one right here.

2 TREASURER SHEAFE: Well, we're all -- you know,  
3 he's probably in the same general generation that I'm in.  
4 And you know, none of this stuff existed.

5 I remember, in my business career, when I first  
6 heard about a fax machine. And we bought one. And we all  
7 went in and went, oh, my God, look at this. You know, and  
8 it wasn't that longing ago when that started.

9 SECRETARY IRVIN: 25 years ago.

10 TREASURER SHEAFE: And you think about that  
11 transition, it's really been astounding. So I would really  
12 like to know.

13 But I will tell you one thing, just keep this in  
14 mind, we own a golf course. It's one of the businesses I  
15 own. And you know, nobody calls up and books golf anymore.  
16 They all go on GolfNow. And on the day of play, they sit  
17 there and compare prices and then book.

18 MS. MONTOYA: Right.

19 TREASURER SHEAFE: So it's an entirely -- you  
20 know, five years ago, 50 percent of our bookings were a  
21 week, two weeks in advance. The reason I say that is  
22 because the game, then, is to get an email blast with all  
23 your potential customers, right?

24 MS. MONTOYA: Right.

25 TREASURER SHEAFE: Well, we're discovering that

1 half the people, once they're constantly cleaning their  
2 email out and filtering it out, because they're trying to  
3 get all these blasts to stop. And I think, from a marketing  
4 standpoint, you cannot rely on people's email to be a way to  
5 contact them.

6 MS. MONTOYA: Twitter. We Twitter all the time.

7 TREASURER SHEAFE: Yeah.

8 MS. MONTOYA: Yeah. There's a lot of ways social  
9 media can be integrated into what we're doing. But you've  
10 got to send them some place. You have to have something  
11 that they go to. And that's where video comes in.

12 CHAIRMAN McCUSKER: Were very interested in  
13 working with you.

14 MS. MONTOYA: Okay.

15 CHAIRMAN McCUSKER: I think we want to try and  
16 maybe meet again and try and make --

17 MS. MONTOYA: What do you need from me?

18 SECRETARY IRVIN: We're not sure.

19 CHAIRMAN McCUSKER: Alberto and I will sit down.

20 MS. MONTOYA: I'll tweet you later.

21 CHAIRMAN McCUSKER: And let's keep up.

22 MS. MONTOYA: Okay. Sounds good. Thank you very  
23 much.

24 MS. COX: Thank you, Nancy.

25 CHAIRMAN McCUSKER: The first thing, we'll get

1 back to you quickly on the --

2 MS. MONTOYA: Sounds good. Thank you.

3 CHAIRMAN McCUSKER: It's a great segue. Michele,  
4 we're talking about radio.

5 Michele is on the agenda to update us on that  
6 campaign. Has everybody heard the Bobby Rich ad campaign?

7 MS. BETTINI: I was just going to give an update  
8 on where we are budgetwise for the marketing.

9 We were approved for \$60,000. 58,000 of it was  
10 for marketing. 2,000 of it was for website maintenance.  
11 Currently, we are at \$7,461 total for marketing as of  
12 October. So we are well above schedule on where we are for  
13 budget.

14 For a breakdown of what we are doing on the radio  
15 commercials, they are 60-second commercial ads, not 30.  
16 They go for a \$185 apiece. 145 is for the spot. And then  
17 Bobby Rich charges us \$40 because he is doing a live fee  
18 every time he does the commercial.

19 We are also doing ads in the Caliente. I've done  
20 two ads. We do it every third Thursday it comes out. It's  
21 a full-page color ad. And those cost us \$2,750 every time.

22 That's about where we stand. Below, on the sheet  
23 that you guys have, are just some remarks back from some of  
24 the merchants that we have done the commercials. And we're  
25 getting a good response. Like Fletcher says, I can't track

1 it. But from what the merchants -- they're very happy and  
2 excited that we are reaching out and doing advertising for  
3 them.

4 SECRETARY IRVIN: I heard a lot of good comments  
5 from people in the community that like them.

6 MS. BETTINI: And while I'm doing this, it gives  
7 me a chance to get my foot in the door too with making sure  
8 they're filling out their TPT tax forms correctly too.

9 TREASURER SHEAFE: Have you thought about  
10 expanding? You've got more than one talk show in the  
11 morning. Have you though about expanding and going to a  
12 couple of the other shows?

13 MS. BETTINI: I can look into pricings on other  
14 shows.

15 CHAIRMAN McCUSKER: The advantage we have with  
16 journals is we're not doing any copy; we're not doing any  
17 production. We send Bobby a half a dozen bullet points, and  
18 he literally ad libs the commercial live. And most of it is  
19 very humorous, connected. You know, they don't even appear  
20 to be a commercial. It's almost like, have you been to the  
21 new burger place? And it was designed to be interactive  
22 with the staff. And that would be hard to replicate.

23 If it was a produced commercial, taped, where you  
24 could kind of send it around just by time, well, you  
25 obviously can't use this talent on any other cluster. You

1 know, so we would have to have some --

2 TREASURER SHEAFE: Is that right, though? Because  
3 there's several other people that do morning drive time.

4 And -- you know, and they have -- that's what they do is --

5 CHAIRMAN McCUSKER: We'd have to produce, or you  
6 could engage with them to do something similar.

7 TREASURER SHEAFE: Find out if they could do  
8 something similar, that's all.

9 CHAIRMAN McCUSKER: Yeah. But you know, we would  
10 have some money to do that if we wanted to look at other  
11 radio kind of stuff.

12 MS. BETTINI: Or we can look at running the  
13 commercials more than once. Bobby only charges us the  
14 talent fee once. But they do record the commercials as you  
15 guys are getting when I send them. And we can put more  
16 spots on 94.9 and they just charge us the \$145 fee for every  
17 time we --

18 CHAIRMAN McCUSKER: How do they feel about running  
19 it when it's not live?

20 MS. BETTINI: The merchants?

21 CHAIRMAN McCUSKER: The station. Bobby.

22 MS. BETTINI: Bobby doesn't have a problem with it  
23 at all.

24 TREASURER SHEAFE: I think it's a great buy.

25 MS. BETTINI: He thinks that the more we can run

1 the more publicity we can get for our merchants, that just  
2 one time isn't getting the point across, that we need to  
3 keep repeating so people hear it more than once.

4 CHAIRMAN McCUSKER: In response to the Chicago  
5 Store's request, I think the merchant did commit to you that  
6 if the merchant wants to buy additional spots, they'll honor  
7 our rate.

8 MS. BETTINI: Correct.

9 TREASURER SHEAFE: I think that's really terrific.  
10 And I do think there's kind of an informal automatic reach  
11 on that. And you know, there's a few people in the morning  
12 that have been somewhat critical in the past.

13 MS. BETTINI: Right.

14 TREASURER SHEAFE: Well, I happen to know, from  
15 experience working on campaigns, if you want to get somebody  
16 to quit criticizing you, buy a little of their time. And  
17 they suddenly become a big advocate. You know, we have one  
18 radio commentator that's famous for that.

19 MS. COX: Yeah.

20 TREASURER SHEAFE: And every politician buys a few  
21 ads from him just to shut him up.

22 MS. BETTINI: And as you guys heard, every time  
23 Bobby talks about the TIF district, he's talking about the  
24 over 1100 merchants we have in the District.

25 CHAIRMAN McCUSKER: That's a nice segue.

1 MS. BETTINI: He's not just talking about --

2 SECRETARY IRVIN: I think Bobby does a great job.  
3 Have we explored that similar concept with the folks at  
4 Clear Channel?

5 MS. BETTINI: No, we have not. I will.

6 CHAIRMAN McCUSKER: No. This was experimental.  
7 It's only been two months.

8 MS. BETTINI: Correct.

9 SECRETARY IRVIN: I think it's working well. I  
10 think we ought to explore others.

11 MS. BETTINI: Alberto, you have some questions?

12 MR. MOORE: Yeah. You read off some numbers. Can  
13 you send me a copy of that?

14 MS. BETTINI: You have it in your pile. But I  
15 will email it to you.

16 MR. MOORE: Oh, I did?

17 MS. BETTINI: Yeah.

18 CHAIRMAN McCUSKER: Okay. We managed to work our  
19 way through the agenda. This is time set aside for a call  
20 to the audience.

21 Michele, you have some cards?

22 MS. BETTINI: I have two.

23 CHAIRMAN McCUSKER: Bill O'Malley, thank you for  
24 your patience.

25 ATTENDEE: Thank you.

1           Mr. Chairman, Board Members, Bill O'Malley with  
2 the Friends of Tucson's Birthplace working on Mission  
3 Garden. Just a couple of comments on the Westside Parcel.

4           We have been working with the City regarding  
5 easements around Mission Garden. We need to access -- or  
6 access roads on both sides. We use it for drainage. And  
7 we're interested in water harvesting. So I sent an exhibit  
8 to the Board and to WLB. So hopefully you can take that  
9 into consideration as you look at the West Side property.

10           And then the parcel along Mission Lane, keep in  
11 mind, that's where the Carrillo House is. And so when  
12 you're considering development along there, the Carrillo  
13 House is there. And it is rich with archaeology along that  
14 area also.

15           CHAIRMAN McCUSKER: That's the northern border of  
16 Mission, right, from the parcel we looked at?

17           ATTENDEE: Well, it's the northern portion of the  
18 West Side Parcel. It's just south of Mission Lane.

19           CHAIRMAN McCUSKER: Yeah.

20           ATTENDEE: And thanks again for your recommitment  
21 to helping us finish Mission Garden. We are ready to start  
22 our third year of our final agreement with the City and the  
23 County. And we're obligated to finish Mission Garden within  
24 that time. So we look forward to that.

25           And we had -- are interested -- as soon as your

1 ready, we can sit down and talk about how that funding works  
2 and your agreement requirements, conditions, and so on.  
3 We're anxious to do that in preparation for when you are  
4 able to do the funding.

5 Update on Garden itself, we are in our fall  
6 harvest. We're harvesting melons, sorghum, chili peppers.  
7 Corn will be coming soon. And this Sunday, we're having a  
8 membrillo fest. Sunday afternoon, we're going to show and  
9 demonstrate how to make membrillo with the quince. So  
10 you're all welcome to come. It starts at 1:30 and goes to  
11 about 5:30. So it would be a good time to come and visit  
12 the garden.

13 Thank you.

14 TREASURER SHEAFE: Bill, this is a quick one. But  
15 I was at the harvest dinner the other night. You know what  
16 I'm talking about?

17 ATTENDEE: Yeah.

18 TREASURER SHEAFE: And I noticed you guys weren't  
19 there. And I thought, gosh, I wonder why Mission Gardens  
20 isn't part of this? It's all about, you know, farming and  
21 gathering natural foods and whatnot. It's right up your  
22 alley. Aren't you working with those people?

23 ATTENDEE: Oh, yes, yes. Very much so.

24 I don't know why we weren't at that one. It seems  
25 we're doing something almost every evening and every day.

1 You know, we are working to get the word out about Mission  
2 Gardens as much as we can also.

3 We're now working with the Santa Cruz food market  
4 over at the Mercado. We're providing them with produce  
5 which eventually ends up at food banks. So the produce that  
6 we're -- coming out of the garden now is -- finds its way to  
7 the market.

8 TREASURER SHEAFE: Let me just say, a lot of  
9 people were there. It was a pretty good-sized event. It  
10 was at the Steinfeld Warehouse.

11 CHAIRMAN McCUSKER: You're violating the call to  
12 the audience rule.

13 TREASURER SHEAFE: Yeah.

14 SECRETARY IRVIN: Bill, thank you very much.

15 ATTENDEE: Thank you.

16 CHAIRMAN McCUSKER: Thank you.

17 ATTENDEE: I would like to congratulate you time  
18 after time, that it's taken 14 years of Rio Nuevo --  
19 imagine, 14 years since 1999 -- and that you have been able  
20 to pick up a rag and made it into a table cloth. So imagine  
21 how significant that is.

22 About changing your name, it's great that  
23 community's getting involved, and that's what I was looking  
24 forward that that would start. But it doesn't come up with  
25 a name. It comes to individuals and the change that you

1 have made. For me, explaining it to my barrio, it was Rio  
2 Nuevo but they changed it to this. Rio Nuevo will be with  
3 you as long as you're involved, so just keep that in mind.  
4 As well as that you will always be seen as developers and  
5 revitalizing downtown.

6           And us in the barrios, we would always have to  
7 look to see what you're doing and what we're -- what you're  
8 up to. So it would still be the same. And I'm here to  
9 bring that information back, as well as the West Side that  
10 you mentioned. Have it in mind that it's the Chuk-Shon land  
11 and it's the birthplace of Tucson that nobody knew but to  
12 trash it up until Rancho Chuk-Shon became involved.

13           And I'm very glad that there's a transition right  
14 now. I don't know if you can see it clearly. You have been  
15 dealing with lawsuits and unpleasant situations as well as  
16 thinking about infrastructure, development, and buildings  
17 and chairs. But now it's coming with people. I can hear  
18 that, with people.

19           So I'm going to be here as long as creator permits  
20 me. And I'm going to continue bothering you because I need  
21 to bring you to the level that we're in poverty. You know,  
22 we don't have a computer in the barrio, so we won't be able  
23 to see what's -- what's the change. You know something? We  
24 don't have a telephone or a television. If you come and  
25 walk through my streets, you'll know.

1           And keep in mind that while we're still waiting  
2 for this deed, we're still your neighbor. Okay? We're your  
3 neighbor. And we also need to sit at the table with you and  
4 see how we can work together so Rio Nuevo will really show  
5 the significance that you made the change, each individual,  
6 by your name, not Rio Nuevo. Okay?

7           Gracias.

8           CHAIRMAN McCUSKER: Thank you.

9           ATTENDEE: Oh, and, Chris, it's not only bikes,  
10 it's also caballos, it's also horses that made it Tucson.  
11 All right? So just keep in mind, there's tall buildings,  
12 but there used to be adobe and the caballos in the streets.

13          Gracias.

14          CHAIRMAN McCUSKER: I entertain a motion to  
15 adjourn.

16          SECRETARY IRVIN: So moved.

17          MS. COX: Second.

18          CHAIRMAN McCUSKER: All in favor, say aye.

19                               (Ayes.)

20          CHAIRMAN McCUSKER: November 5th, we're thinking  
21 about noon o'clock, if that will work.

22                               (Meeting concluded at 4:55 p.m.)

23                                       --o0o--

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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