

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona
December 16, 2013
1:31 p.m.

REPORTED BY:

John Fahrenwald

KATHY FINK & ASSOCIATES

2819 East 22nd Street

Tucson, Arizona 85713

(520)624-8644

1 (Meeting commenced at 1:31 p.m.)

2 CHAIRMAN McCUSKER: We're going to call the
3 meeting to order. It is 1:31 p.m. Cody's running a little
4 bit late. We have a quorum.

5 Mr. Irvin, do you want to lead the pledge?

6 (Pledge of Allegiance recited.)

7 CHAIRMAN McCUSKER: Michele, call roll, please.

8 MS. BETTINI: Alberto Moore?

9 MR. MOORE: Present.

10 MS. BETTINI: Jannie Cox?

11 MS. COX: Present.

12 MS. BETTINI: Chris Sheafe?

13 TREASURER SHEAFE: Present.

14 MS. BETTINI: Fletcher McCusker?

15 CHAIRMAN McCUSKER: Here.

16 MS. BETTINI: Mark Irvin?

17 SECRETARY IRVIN: Here.

18 MS. BETTINI: Jeff Hill?

19 MR. HILL: Here.

20 CHAIRMAN McCUSKER: Okay. Michele has sent us the
21 transcribed meeting from November 19th. I assume you all
22 have read it. It's a verbatim transcript. Entertain a
23 motion to approve.

24 SECRETARY IRVIN: So moved.

25 TREASURER SHEAFE: Second.

1 CHAIRMAN McCUSKER: Mr. Irvin and Mr. Sheafe
2 second. All in favor, say aye.

3 (Ayes.)

4 CHAIRMAN McCUSKER: And we can now take a motion
5 to recess to Executive Session.

6 SECRETARY IRVIN: So moved.

7 TREASURER SHEAFE: Second.

8 CHAIRMAN McCUSKER: All in favor, say aye.

9 (Ayes.)

10 CHAIRMAN McCUSKER: We'll be back in about an
11 hour.

12 (The Board convened to Executive Session
13 at 1:32 p.m.)

14 (Meeting reconvened at 2:39 p.m.)
15

16 (Mr. Ritchie is present.)

17 CHAIRMAN McCUSKER: We can reconvene. We'll need
18 a motion to do that.

19 SECRETARY IRVIN: So moved.

20 CHAIRMAN McCUSKER: We need a second. Somebody
21 has to second the motion to reconvene.

22 MR. MOORE: Second.

23 CHAIRMAN McCUSKER: That was Mr. Moore, I think.

24 MR. MOORE: It was.

25 CHAIRMAN McCUSKER: All in favor, say aye.

1 (Ayes.)

2 CHAIRMAN McCUSKER: Okay. Thank you everyone.

3 Good afternoon. Happy holidays. Happy early Hanukkah, that
4 just finished. Merry Christmas.

5 A lot of the things on the agenda will probably be
6 talked about today. But I see very little action on a
7 number of items. Let me just kind of touch on kind of where
8 we are and what we're thinking about a lot of the items that
9 you see us deal with. And then on a couple of things that
10 may require action, we'll move up the agenda. Cody has to
11 leave post-haste. So I think item 16 is an action item that
12 I'll move up.

13 Mark, anything else that's really pressing that we
14 might --

15 MR. COLLINS: No, Mr. Chairman. I think that's
16 the one that -- especially for a vote for Cody.

17 TREASURER SHEAFE: What about 17?

18 CHAIRMAN McCUSKER: I've been advised there is no
19 action occurring, right?

20 MR. COLLINS: Correct.

21 CHAIRMAN McCUSKER: As you can tell by the agenda,
22 we are doing a lot of work. It's been a lesson in patience
23 for us.

24 A quick update on some of our projects:

25 The TCC is moving along. We have hired a

1 contractor. Elaine is up here to update us on that process
2 today.

3 Concord is a local company. We meet once a week
4 now to discuss that project's scope. I'm pleased to say,
5 knock on wood, so far the project looks like it will be on
6 time and on budget. We should, in our January meeting,
7 approve the subcontractor's budget. The general is
8 currently soliciting bids from the subs, so we'll know
9 pretty much in January exactly where we stand in relation to
10 that project. That's our primary mission under the 2010
11 legislation.

12 Our secondary mission of course is to help launch
13 an area hotel. And that has proven to be the harder part of
14 our two-prong mission.

15 We are in conversations with a number of private
16 sector developers. This is an item that we believe the
17 District cannot take on by ourselves, not only the cost of
18 building it, but then the cost of operating it. So we're
19 interested in talking to people who have property and hotel
20 interests. And we actually have three, maybe four prospects
21 hopefully that might come to fruition some time in the early
22 spring.

23 That handcuffs us on a variety of other project
24 that you hear us talk about -- West Side development, other
25 kind of things, maybe that the ULI had recommended -- up to

1 and until we launch that hotel project. So standby for
2 that.

3 Item 17 -- 16 -- I'm sorry -- I'll move to the
4 front of the agenda.

5 It's good news to us that after two years of
6 unqualified audits and a very nice, well-rounded performance
7 audit, the credit worthiness of the District has improved
8 dramatically. We believe we are in a position now where we
9 might be able to relieve the reserves that were required as
10 a number of our bond initiatives in the past. There's about
11 \$15 million -- if you look at our financial statements --
12 that's held in our reserves.

13 We're interested in hiring a professional to help
14 us look at the opportunity to monetize those dollars, which
15 would allow us to move them into a more productive
16 development fund and not just sit around in the bank
17 collecting .25 percent interest.

18 So that would be an item up for discussion and
19 possible action by the Board today.

20 TREASURER SHEAFE: Mr. Chairman, I'd like to move
21 that we seek those services and move forward in
22 understanding what our alternatives are for either
23 monetizing those reserves, or letting them remain where they
24 are.

25 MS. COX: Second.

1 CHAIRMAN McCUSKER: Jannie Cox.

2 Mark, can you address how we proceed on this?
3 Since this is -- these are professional services, so as I
4 understand our procurement code, we would be allowed to
5 solicit and select a financial advisor.

6 MR. COLLINS: That's correct, Mr. Chairman. They
7 are professional services under the procurement code, just
8 as you said. I would suggest that you send out requests for
9 proposals, but I believe the Board can make a decision.

10 CHAIRMAN McCUSKER: Any further questions,
11 conversations?

12 We have a motion and a second. All in favor, say
13 aye.

14 (Ayes.)

15 CHAIRMAN McCUSKER: Any opposed, nay.

16 Okay. Motion carries.

17 So, Mark, we'll work with you on that
18 solicitation.

19 Dan, go ahead with your financial report.

20 MR. MEYERS: Okay. Nothing out of the ordinary
21 for November. Again, in November our balances at Alliance
22 Bank in our operating account was approximately
23 \$5.3 million. Our balance in Alliance Bank, the other
24 account there, 5 million. The balance at the Bank of Tucson
25 for operating, 170,000. The balance in the City of Tucson

1 account, the joint account, is about 4.2 million.

2 In December we were able to collect the TIF funds
3 for August -- August and September, which is approximately
4 1.9 million. And we've also collected the City of Tucson
5 rent for TCC. That money will go back to Wells so that they
6 can make the interest payment on that particular bond issue.

7 Commitments stay the same with Mission Gardens,
8 streetscapes, and Tucson Community Center Arena.

9 Questions?

10 MR. MOORE: Are we current on all our renters'
11 rent?

12 MR. MEYERS: Let's see. We've got just the
13 December rents to be paid for --

14 MS. BETTINI: Correct.

15 MR. MEYERS: I think we collected everything
16 through November, so . . .

17 MR. MOORE: The Rialto, Fox, all of the ones that
18 have something . . .

19 CHAIRMAN McCUSKER: Parking lot.

20 MS. BETTINI: We haven't collected December.
21 We've received through November.

22 MR. MOORE: From who?

23 MS. BETTINI: US Parking Systems of Rialto, except
24 for December.

25 MR. MOORE: Have they been pretty current all the

1 way through?

2 MR. MEYERS: They're hit and miss, but they're up
3 through the end of November now.

4 MR. MOORE: Okay.

5 CHAIRMAN McCUSKER: And the Depot Garage payments?

6 MR. MEYERS: We're supposed to be receiving -- any
7 day now that would -- they would pay us the remainder of
8 2013 and through June 30th of 2014. So it would net it
9 into --

10 MR. MOORE: Normally when are they supposed to pay
11 us? By what date? The first of the month? Middle of the
12 month?

13 MR. MEYERS: They pay us in bulk, it seems like.
14 And like I said, now they're looking at paying us through
15 June 30 of 2014. And we should have that money any day now.

16 CHAIRMAN McCUSKER: Mark, I don't recollect that
17 the settlement had any payment requirements as to when they
18 would pay the Depot Garage payments.

19 MR. COLLINS: No. It's a monthly, but an annual
20 amount.

21 CHAIRMAN McCUSKER: They can pay it once a year if
22 they choose?

23 MR. COLLINS: Yeah, yeah. It's calculated
24 monthly, but it's an annual number.

25 MR. MEYERS: Bear with me. They paid -- up

1 through June 30th, I believe they paid that in April. So
2 they are paying a little bit ahead, but in bulk.

3 MR. COLLINS: Right. For calendar 2013, they
4 paid -- or were obligated to pay -- they, the City --
5 \$58,000 for 2014. They're obligated at \$106,000, or
6 \$8,833.33 a month.

7 The contemplation is, is they can make bulk payments
8 like --

9 CHAIRMAN McCUSKER: Will you let us know if
10 anybody gets tardy? I guess that's Mr. Moore's point.

11 MR. MEYERS: Yes, we will. Sure.

12 MR. MOORE: Thank you.

13 TREASURER SHEAFE: It might help if, on this
14 little quick note, you put any longer term accounts
15 receivable in, as just a short note.

16 MR. MEYERS: Okay. I can certainly do that.

17 TREASURER SHEAFE: And then, just for my
18 education -- I apologize -- but I do a quick kind of looking
19 at that we've got and what our obligations are out there.
20 If we begin to -- let's say we send Mission Gardens a half a
21 million dollars because they've gotten to the point where
22 we're going to fund that; would you then show the Mission
23 Gardens obligation at 600,000?

24 MR. MEYERS: Sure.

25 TREASURER SHEAFE: Or would it continue to show a

1 million-one, even though we paid a portion on it?

2 MR. MEYERS: I can certainly have an updated -- an
3 estimated balance remaining if that helps.

4 TREASURER SHEAFE: Yeah. Well, you know what --
5 probably what most of us do, we're looking at what our
6 resources are and then how much of those resources are
7 already obligated.

8 MR. MEYERS: Sure. I'd be happy to do that.

9 TREASURER SHEAFE: Thanks.

10 MR. MEYERS: Okay. Anything else?

11 Mr. Hill?

12 MR. HILL: Sales tax issue. I know we've
13 discussed it, and I presume we're still working on it. I
14 think it concerns a lot of people at the State level and
15 certainly at our level. But I was told by a new business
16 Saturday that they're -- I guess the capital is helping
17 them. Happens to be my tenant. Said that there's no --
18 absolutely no coding on the TPT-1 form, no notice whatsoever
19 that they're supposed to use Rio Nuevo three-letter code.
20 So they're absolutely not doing anything with it from the
21 State. And of course, I don't think the City cares because
22 they don't get anything.

23 CHAIRMAN McCUSKER: We can pass that information
24 on. We had a very productive meeting with Deputy Director
25 Vince Perez last week.

1 MR. HILL: Okay. Good.

2 CHAIRMAN McCUSKER: And they are hopeful that they
3 can resolve this, Jeff, through an IGA.

4 MR. HILL: Okay. Good.

5 CHAIRMAN McCUSKER: And they've asked counsel now
6 to look at the possibility of -- the issue arose when we
7 separated ourselves from the City.

8 MR. HILL: Right.

9 CHAIRMAN McCUSKER: We're no longer privy to any
10 of the taxpayer information. That has been raised in the
11 Auditor General's report. And it's been identified as an
12 issue by the Governor, the President of the Senate, and the
13 Speaker of the House.

14 So what the ADOR has been advised is try and solve
15 this administratively. If you can't, we'll look at a
16 legislative tweak. So I'm hopeful that next year we won't
17 have these kind of problems. We would be able to know who's
18 coded, who's not coded, who's paying their taxes, who's not.

19 You've identified the tip of a very big iceberg;
20 that today we still have no idea on who's properly coding
21 their tax returns. But the Department, unlike this time a
22 year ago, was very cooperative.

23 MR. HILL: Good.

24 CHAIRMAN McCUSKER: So I'm optimistic we can solve
25 it this time.

1 MR. HILL: Vince -- he was like -- you had a good
2 meeting with Vince?

3 CHAIRMAN McCUSKER: He was great.

4 MR. HILL: He's quite straightforward. So that's
5 good to hear.

6 CHAIRMAN McCUSKER: All right.

7 MR. HILL: Thank you.

8 CHAIRMAN McCUSKER: Any other questions for Dan?
9 Okay. TCC update, Elaine?

10 MS. WEAVER: Good afternoon. Elaine Weaver with
11 the City of Tucson. I'm the Rio Nuevo project manager for
12 the TCC Arena.

13 I put, at each of your seats, an updated process
14 diagram. So I have four quick items to update you on. And
15 then, of course, if you have any questions for me.

16 CHAIRMAN McCUSKER: And there are some on the
17 table for the audience.

18 MS. WEAVER: Yes. There are extras on the table.

19 So first, an overall project update, I wanted to
20 share with the Board that since our last meeting we have
21 continued to work on the construction documents. We've
22 moved from the design development review -- which I showed
23 you the drawings last time -- directly into construction
24 documents. And our anticipated completion date is mid- to
25 end of January. And we'll be going in for permit in

1 January.

2 We have had some preliminary meetings with
3 development services with the City of Tucson so that they're
4 well aware of the project. And once the projected goes in
5 for permitting, we're comfortable with our review time. We
6 anticipate in the schedule we get comments, we have ample
7 time to reply to those comments and put it back in for
8 permitting.

9 In addition, the guaranteed maximum price that we
10 will be receiving from Concord -- that will actually be
11 occurring in February. Chairman McCusker mentioned January,
12 but it's actually February -- is when I'll be coming to you
13 to give you the guaranteed maximum price, the GMP.

14 CHAIRMAN McCUSKER: Darn.

15 MS. WEAVER: Pardon me?

16 CHAIRMAN McCUSKER: Darn.

17 MS. WEAVER: Darn.

18 So on the process diagram in front of you, what is
19 revised from last month is that on our center path, I've
20 moved over our "currently we are here" to "today." We're
21 looking at the drawings. We're working with the general
22 contractor. We're looking at estimates. We are on budget.

23 And like I said, as of mid-January/end of January,
24 we'll be complete with the construction documents.

25 On the top line is the fixed seats solicitation,

1 which went out last week for publication. And we did a
2 14-day solicitation. So the Rio Nuevo procurement code does
3 allow for a 14-day as well as a 21-day. And in this case,
4 we are all comfortable with the 14-day solicitation. That
5 actually put us at Christmas Eve. And so I was not trying
6 to crack the whip or anything. So we gave them a couple
7 extra days, so it's 14-plus. Those are due on January 30th.

8 The following week, we will be receiving a full
9 seat mockup as a part of the bid. And again, those are
10 hard-bid solicitations that we'll be receiving from the
11 vendors.

12 TREASURER SHEAFE: Did you mean December 30th?

13 SECRETARY IRVIN: December 30th?

14 MS. COX: You meant December 30th, didn't you?

15 MS. WEAVER: What did I say?

16 TREASURER SHEAFE: You meant December 30.

17 MS. COX: You said January.

18 MS. WEAVER: Thank you. I meant December 30.

19 Thank you. Thanks. I apologize.

20 Any questions on this diagram?

21 Yes?

22 MR. MOORE: Did you check with the contractors on
23 how we are doing that seating regarding the demolition side?

24 MR. MEYERS: Oh, for the prison labor?

25 MR. MOORE: Yeah.

1 MS. WEAVER: I did. And I had put together a list
2 of reasons and justification why we're not able to do that.
3 And some of those reasons were that the seating vendor that
4 we end up contracting with, because of the tight schedule,
5 they need ultimate control of the demolition.

6 There's also a scope hole, that if a separate
7 vendor -- prison laborer or vendor comes in and removes the
8 seats, if there's damage of the anchor bolts or the
9 concrete, who's then liable to fix that? And so it's just a
10 little bit of a gray area.

11 In addition, without knowing all the limitations
12 of who the prison labor can be around -- I was also informed
13 that there's limitations as to who the prisoners can be
14 around. And so with certain events, having children at the
15 TCC, there's potential liability for Rio Nuevo and the City.

16 So, Mr. Moore, could all of the kinks and could
17 all of the technicalities be figured out to do the prison
18 labor? We probably could. But does it create more
19 complexities for the project? It does.

20 MR. MOORE: Okay. That's all.

21 MS. WEAVER: Okay.

22 MR. MOORE: But the contractors who will be
23 providing the seats and doing their own demolition, are they
24 going to give get us a separate number? I think we asked
25 for a separate accounting on how they would be treating

1 those seats --

2 MS. WEAVER: You could --

3 MR. MOORE: -- as salvage.

4 MS. WEAVER: Yes. We could get --

5 MR. MOORE: Do we get credit for that?

6 MS. WEAVER: We can ask for -- we could issue an
7 addendum to the solicitation, and we could ask that they
8 clearly have a line item to show us the credit for the
9 seats. Most of the vendors will keep those seats because
10 they refurbish them, and then they sell them to their other
11 clients.

12 MR. MOORE: Sure.

13 MS. WEAVER: But, yes, we will do that.

14 MR. MOORE: So we can get a credit. Okay.

15 MS. WEAVER: Yes, we will definitely get a credit.
16 But we'll also be able to see the exact amount of the
17 credit.

18 MR. MOORE: Good. Thank you.

19 MS. WEAVER: Sure.

20 CHAIRMAN McCUSKER: Anything else for Elaine?

21 MS. WEAVER: Oh, sorry. I just have three other
22 quick items.

23 CHAIRMAN McCUSKER: Go ahead.

24 MS. WEAVER: Sorry.

25 On the fixed audience seating we touched on, the

1 floor seats, these will go out for solicitation in January.
2 Those have -- they're all ready to go, but just -- we're
3 doing a lot of things, and there's not the lead time that's
4 required for the fixed audience seats for the floor seats.
5 Those are easy. They're off-the-shelf. You know, we just
6 need to purchase them.

7 And then I also wanted to share with the Board
8 that in terms of public relations for the project, I have
9 been working with the Gem Show planning committee as well as
10 with Concord. And so that we're making every effort to
11 share with the community what is going on with the project,
12 in the breezeway; we'll have some boards in the display
13 cases letting everybody know when construction will be
14 starting, put the renderings on so people can get a sense of
15 what it looks like, as well as some large construction
16 boards throughout the campus so that the vendors and the
17 guests of the Gem Show can see what's coming here in March.

18 Any questions?

19 Okay.

20 MS. COX: Good job.

21 CHAIRMAN McCUSKER: Thank you.

22 MS. WEAVER: Thank you very much.

23 CHAIRMAN McCUSKER: Cody, while you're still here,
24 let's deal with Item 15, NonProfit News Source name change
25 contest, and then I'll go back to the Arena Lot.

1 Nancy, you want to give us an update on the
2 contest?

3 MS. MONTOYA: Happy holidays.

4 CHAIRMAN McCUSKER: Thank you.

5 MS. MONTOYA: I'm Nancy Montoya, principal with
6 NonProfit News Source.

7 Mr. Chair and Members of the Board, the contest is
8 going very well, smooth. We began the contest on
9 December 10th, officially. We've already received 22 names
10 -- and serious names, very good. I haven't gotten anything
11 joking or funny or mean -- I did get one mean.

12 CHAIRMAN McCUSKER: Will you take just a minute
13 and update everybody on what you're doing.

14 MS. MONTOYA: Sure.

15 CHAIRMAN McCUSKER: Because they are some new
16 faces in the audience maybe that don't know exactly what
17 we're talking about.

18 MS. MONTOYA: Sure. We were tasked with the
19 possibility of providing some ideas for name change for Rio
20 Nuevo for the Board. And the idea surfaced that instead of
21 hiring an outside agency to do this, we would keep it local
22 and create a scholarship program for high school seniors
23 throughout Pima County and make it into a scholarship where
24 there would be six semifinalists who would receive \$500 each
25 and that would be matched by Pima College and the UofA. The

1 winner would receive a thousand dollars, also matched by
2 Pima College and the UofA.

3 And we created a website that -- it's called New
4 Name for Rio Nuevo, where the students get online and they
5 have to read about what is Rio Nuevo, what is the history of
6 Tucson, and then some additional links where they could do
7 some research on their own and come up with a new name for
8 Rio Nuevo. And it had to be something meaningful, something
9 that made sense. And they can apply all online. And they
10 have to not only tell us what their idea is for a new name,
11 but also tell us why. They select it, write a paragraph.

12 We opened up the contest on December 10th, were
13 originally going to go until January 10. However, many of
14 the counselors with the various school districts have asked
15 me if there's any way possible that we could push it back,
16 the deadline, for another two weeks until the end of
17 January. We're hitting the holidays. We're hitting finals
18 and quite frankly, a lot of the kids are distracted. And
19 they're thinking when they get back from vacation, they'll
20 be ready to go. And even with that, we've had 22 good,
21 solid names.

22 MS. COX: Nancy, how did you manage to communicate
23 with the larger scope of high schools?

24 MS. MONTROYA: It was massive. It was massive. We
25 did a lot of legwork. What we did is, we contacted the

1 counselors for every high school in Pima County. And these
2 are the counselors who are already dealing with the seniors,
3 who are already dealing with going to college and perhaps
4 applying for scholarships. So they already have a pathway
5 to them. That's the primary way we've been getting the word
6 out.

7 And then I have a couple of interns who have just
8 gotten on the phone and have followed up on everything.

9 MS. COX: Thank you.

10 MS. MONTOYA: Mm-hmm.

11 CHAIRMAN McCUSKER: You've done some posters and
12 stuff too.

13 MS. MONTOYA: Posters, we're getting ready to put
14 the posters in after the holidays.

15 So the only thing that we may want to consider is
16 whether we want to push back the deadline for a couple of
17 weeks.

18 TREASURER SHEAFE: Do you need a motion for that,
19 or what do you need?

20 MS. MONTOYA: Well, it's --

21 CHAIRMAN McCUSKER: Do we have to take any action?
22 I think we've --

23 MR. COLLINS: You can't take any action today.
24 It's not on the agenda as an action item. Let me give it
25 some thought. I think we can probably deal with that if

1 that's what the Executive Officers want to do.

2 CHAIRMAN McCUSKER: I don't know that we set a
3 timeframe in the motion.

4 MR. COLLINS: No, no. None was set. It was an
5 arbitrary one that I think Nancy did maybe with me. I don't
6 know.

7 MS. MONTOYA: Yeah. We just kind of . . .

8 MR. COLLINS: Yeah.

9 TREASURER SHEAFE: Can we just note that we didn't
10 take an action, which gives her the freedom to make the
11 choice she needs to make?

12 CHAIRMAN McCUSKER: Can we note that we have no
13 objection to changing the date?

14 MR. COLLINS: You can't take any action. It's an
15 action item.

16 CHAIRMAN McCUSKER: Enough said about that.
17 You're out of order.

18 TREASURER SHEAFE: Yeah. That's usually the case.

19 CHAIRMAN McCUSKER: Anything else for Nancy?

20 Thank you very much. Thanks for all your help.

21 MS. MONTOYA: Uh-huh.

22 CHAIRMAN McCUSKER: Okay. The Arena Lot.

23 Cody, you're recused.

24 MR. COLLINS: Right.

25 CHAIRMAN McCUSKER: So happy holidays.

1 MR. RITCHIE: Thank you.

2 (Mr. Ritchie left the proceedings.)

3 CHAIRMAN McCUSKER: Just a note for those that
4 follow the District, any time any of us have a declared
5 conflict of interest, that requires us to recuse ourselves
6 from the conversation, both in Executive Committee and in
7 the open meeting. In this particular situation, Cody's
8 insurance company represents some of the people that are
9 involved in this transaction. So he's stepped aside.

10 I'll tick them off in order.

11 The Arena Lot. What we affectionately call the
12 Arena Lot is the eight and a half acres on which the
13 Greyhound is temporarily located. That was awarded to us as
14 part of the global settlement. We have the deed in hand.
15 We're working through a couple of the contingencies that
16 came over with the property.

17 Item No. 8 is the parking arrangement that the
18 City currently maintains on that parcel. There are 140
19 thereabouts, cars that park there that pay \$35 a month to
20 ParkWise. ParkWise manages this lot. It's called the
21 Catalina Lot and we now own it. So we would have to make
22 arrangements to continue to provide for that parking until
23 such time that that lot is developed.

24 ParkWise has sent us a proposal. We've identified
25 a couple of other possible opportunities. I think the best

1 plan to proceed is probably to allow us to solicit and
2 identify people who are in this parking management business
3 and present the best and most economical plan to the Board.

4 Now, that begs the question: Is that a
5 solicitable item?

6 MR. COLLINS: I'd have to look harder at that
7 subject. I don't think that's a professional service.

8 CHAIRMAN McCUSKER: It might very well be
9 something that would have to be competitively procured?

10 MR. COLLINS: Well, that being said, Mr. Chairman,
11 the Board has already authorized the taking of title to that
12 property. The only thing remaining before it is recorded is
13 in reaching an agreement with the City of Tucson with
14 respect to that parking. If the Board elects to have
15 someone else do the management, I'll have to look at it.

16 I don't believe you're going to need to
17 competitively procure it, but I need to look at that.

18 CHAIRMAN McCUSKER: We do have a proposal from
19 ParkWise that I think we've agreed is probably not fair from
20 our perspective. So we'll communicate Mr. Collins back to
21 them to give us a better proposal.

22 MR. COLLINS: Mr. Chairman, do you want me to be
23 doing that or . . . ?

24 CHAIRMAN McCUSKER: Yeah. Let's plan on you doing
25 that.

1 MR. COLLINS: Okay.

2 CHAIRMAN McCUSKER: And then also let us know if
3 there's any solicitation issues.

4 MR. COLLINS: I will do that.

5 CHAIRMAN McCUSKER: Also attached to the Arena
6 Lot, of course, is the Peach claim. This is a claim by
7 Peach Properties to title that property as a result of the
8 City's process to sell that property, which was disrupted
9 before they awarded the property to us.

10 And I believe the only action we're going to take
11 there is to authorize you to continue to discuss a
12 settlement with their attorney; is that my understanding?

13 MR. COLLINS: Well, if a motion is made to do
14 that, I certainly can explore that further with counsel for
15 Peach Properties, yes.

16 CHAIRMAN McCUSKER: We've authorized you to do
17 that.

18 MR. COLLINS: Okay.

19 CHAIRMAN McCUSKER: Do we need to --

20 MR. COLLINS: No. All right.

21 CHAIRMAN McCUSKER: -- do it again?

22 MR. COLLINS: No. I guess you don't. You've
23 already authorized me to proceed with that.

24 CHAIRMAN McCUSKER: All right.

25 MR. COLLINS: Enough voting on me.

1 CHAIRMAN McCUSKER: Also, in that regard -- I
2 think the same kind of action. We'll ask Mark to continue
3 with the conversations -- immediately east of that parcel is
4 the property owned by Nor-Gen. We're very interested in
5 those properties being jointly developed. But we're a
6 long-way away from any possible action there, I think it's
7 safe to say.

8 So, Mark, I believe we've instructed you to --
9 well, actually it's Mr. Sheafe, Mr. Moore, and I, I think --
10 that have been delegated that. And there's no reason to
11 change any of that. We'll continue to discuss that project
12 with the others involved.

13 So no action on 8, 9, or 10.

14 No. 11. Mr. Collins, I guess the West Side
15 Parcel, which is the land immediately west of the Santa Cruz
16 River at the base of A-Mountain that was also deeded to us
17 as part of the settlement; we're just trying to identify the
18 boundaries associated with that lot.

19 MR. COLLINS: There are really -- Mr. Chairman,
20 Members of the Board, there are really three general issues.
21 The principal one is the eastern boundary. I can tell you
22 that I'm scheduled to meet with Mr. Rankin to try and
23 resolve that along the lines of what Mr. Sheafe posited
24 maybe two months ago.

25 I'm meeting with Mike on Monday, hopefully be able

1 to deal with that issue, and as well as the environmental
2 well issues that we've talked about in previous meetings and
3 the archaeological site issues. Those later two issues I
4 don't see as being principal problems. It's the eastern
5 boundary, and I hope to be able to make a significant amount
6 of progress before Christmas on that.

7 CHAIRMAN McCUSKER: And then the other two items,
8 the well and the archeology, you're just --

9 MR. COLLINS: We're going to be addressing those
10 as well, Mr. Chairman.

11 CHAIRMAN McCUSKER: So we should see that, maybe
12 as an action item, in the January meeting.

13 MR. COLLINS: That is my hope.

14 TREASURER SHEAFE: I have a question.

15 CHAIRMAN McCUSKER: For him or just . . .

16 TREASURER SHEAFE: Well, actually it's both of
17 you. If we do a little more review to pin down some of the
18 costs on the alternatives on the Arena Site relative to the
19 drainage, is that authorization that fits within the
20 previous authorization? Or is that a new question?

21 CHAIRMAN McCUSKER: Okay. We have authorized
22 Stantec to do some work on the watershed issues related to
23 that lot.

24 MR. COLLINS: The Arena Site now.

25 CHAIRMAN McCUSKER: The Arena Site.

1 MR. COLLINS: We're back to the Arena Site.

2 CHAIRMAN McCUSKER: Right. I don't believe
3 there's any cap on that authorization.

4 MR. COLLINS: I think there is a cap on it.

5 SECRETARY IRVIN: There's a cap, yeah.

6 MR. COLLINS: I think there's -- in fact, I think
7 there's an --

8 SECRETARY IRVIN: -- an agreement.

9 MR. COLLINS: Mr. Sheafe, I think there's an
10 agreement that's been amended. It's been amended. We have
11 an original agreement with --

12 TREASURER SHEAFE: Well, it's been amended
13 according to specific job assignments.

14 MR. COLLINS: Correct.

15 TREASURER SHEAFE: However, we are exploring to
16 get information.

17 CHAIRMAN McCUSKER: So you might be off the agenda
18 there, buddy.

19 MR. HILL: Yep.

20 CHAIRMAN McCUSKER: Mr. Hill says yep. That's
21 good enough for me.

22 TREASURER SHEAFE: All right, yeah.

23 MR. COLLINS: Mr. Sheafe, why don't you and I talk
24 about that. We can get it on the agenda for January.

25 CHAIRMAN McCUSKER: Archaeology, wells,

1 boundaries, West Side, all next time. And the Arena Lot,
2 Mr. Sheafe, we'll try -- if there is a change order or
3 anything required, we'll get that back on the agenda.

4 SECRETARY IRVIN: We'll get you something on the
5 agenda.

6 MS. COX: Are we going to talk about meeting
7 dates?

8 CHAIRMAN McCUSKER: I believe we're done.

9 MS. BETTINI: Meeting dates.

10 CHAIRMAN McCUSKER: I'm sorry?

11 MS. BETTINI: Meeting dates.

12 CHAIRMAN McCUSKER: Meeting dates, yeah.

13 While everybody is here, can we calendar some of
14 the next few meetings; or is that too hard to do? Middle of
15 the month? Jannie prefers something other than Monday,
16 so --

17 MS. COX: Other than Monday and Wednesday.

18 CHAIRMAN McCUSKER: So Tuesday -- what's Tuesday,
19 middle of January?

20 MS. BETTINI: Want to do the third Tuesday of
21 every month?

22 SECRETARY IRVIN: How about Tuesday the 14th?

23 CHAIRMAN McCUSKER: Tuesday the 14th.

24 Two o'clockish?

25 SECRETARY IRVIN: Two o'clock is perfect.

1 CHAIRMAN McCUSKER: And then February, middle of
2 the month, Tuesday?

3 MR. COLLINS: So the 11th?

4 SECRETARY IRVIN: Works for me.

5 CHAIRMAN McCUSKER: February 11, two o'clock.
6 So far, so good?

7 SECRETARY IRVIN: Yep.

8 CHAIRMAN McCUSKER: And March, middle of the
9 month.

10 MS. COX: Can we do it at one o'clock?

11 CHAIRMAN McCUSKER: February at one?

12 MS. COX: All of them.

13 SECRETARY IRVIN: I've got something that takes me
14 until one-thirty.

15 CHAIRMAN McCUSKER: What about one-thirty Tuesday?

16 MS. COX: One-thirty would be better.

17 CHAIRMAN McCUSKER: All right. One-thirty.

18 And then March is the what?

19 SECRETARY IRVIN: The 11th.

20 CHAIRMAN McCUSKER: Two o'clock?

21 MS. COX: Okay. So we have January 14th.

22 SECRETARY IRVIN: February 11th and March 11th.

23 CHAIRMAN McCUSKER: And we're probably really
24 challenging ourself to go out any further.

25 MS. BETTINI: Did you want one-thirty or two for

1 March?

2 CHAIRMAN McCUSKER: I'll be happy we got to March.

3 SECRETARY IRVIN: Two.

4 CHAIRMAN McCUSKER: This is the time set aside for
5 call to the audience.

6 Michele, do you have some slips?

7 Roger, Roger Pfeiffer.

8 ATTENDEE: Mr. McCusker, Members of the Board, my
9 name is Roger Pfeiffer. I reside at 904 West Paseo De La
10 Cosecha. I'm the cochair of the Friends of Tucson's
11 Birthplace, apparently engaged with Mission Garden.

12 I appreciated the comments on Mission Garden and
13 the -- basically the public statements about the commitment
14 to help with that completion.

15 A little bit of an update, we had a very fine
16 growing season during the summer, did a lot of harvesting of
17 fruits. And we have -- in cooperation with the Community
18 Food Bank, are now selling produce at the Santa Cruz
19 Farmers' Market at the Mercado.

20 We have just planted winter gardens, and they are
21 already sprouting. We've got some peas and beans and
22 turnips and cabbage and all kinds of things that are growing
23 right now. We also planted a quarter acre of wildflowers
24 that should be a very colorful display from the top of
25 A-Mountain this spring.

1 So things are moving along, but we have some major
2 things ahead of us in terms of moving on with Phases 3 and 4
3 and 5, probably, including the biggest one, which is the
4 interpretive center in the form of the garden that will
5 allow us to do some -- do some planting. But we have a lot
6 of things happening.

7 And we welcome you up to visit. We are open now
8 every Saturday from noon to four p.m. The warmer part of
9 Saturdays instead of the cooler mornings. That will last
10 until April, and then we'll move back to the mornings.

11 Thank you very much. The one thing that we would
12 like to do, we understand that you're interpreting your
13 ability to support us hinging on the Notice to Proceed for a
14 new hotel. We understand that. But we would like to have
15 some preliminary meetings about how the dispersal of those
16 funds, when they do come, are going to be handled, so we can
17 do some early planning and it's not just playing catch up.
18 So I appreciate any contact that we could get about how
19 that -- how you see and how we can work out a process for
20 that.

21 And the final thing is, if someone could contact
22 us about specifics about the archaeological features on the
23 West Side that are part of the Rio Nuevo properties, we
24 would be interested in knowing exactly what those are
25 because I don't find any details on that.

1 So thanks again for your past support and your
2 future support.

3 CHAIRMAN McCUSKER: Michele, I'm not sure I can
4 read that one.

5 MS. BETTINI: Gutman, Sherman Gutman.

6 CHAIRMAN McCUSKER: Does that say Sharon?
7 Sharon?

8 MS. BETTINI: I think it's Sherman.

9 CHAIRMAN McCUSKER: Sherman?

10 ATTENDEE: Yeah.

11 CHAIRMAN McCUSKER: Sherman Gutman.

12 We just changed your name to Sharon. There is not
13 a Sharon.

14 SECRETARY IRVIN: There isn't a Sharon. We're
15 going to change it back to Sherman.

16 ATTENDEE: Thank you. I hope, in terms of
17 attendance at the Arena and the renovation is -- is in
18 stages, the renovation, if Hi Corbett is any indication, I
19 tried to get the statistics of what the City of Tucson
20 collects in sales taxes on attendance, spring training
21 games -- from spring training games that are played in Hi
22 Corbett, and I was told that the City code prohibits that.

23 The -- and does that hold true for attendance at
24 any events at the TCC? If so, shouldn't the City code be
25 amended? Or if not, we'll ask the state legislature to do

1 that because the public has a right to know how much is
2 collected at events at the TCC, sporting events, gem show
3 events, and so forth. If you could look into that.

4 And the -- and this is not in your purview, but
5 while the UofA varsity baseball team is playing at Hi
6 Corbett, there's a sunset of five years, maybe in another
7 one or two years. And we'd like to get a few spring
8 training games there, major league baseball team, to come
9 down from the valley in Phoenix and play there.

10 And while the Wildcat baseball team, if they're on
11 the road for a few games in the PAC-12 conference -- if
12 you're baseball fans, you know generally you might ask the
13 city of -- the mayor and the City Council to ask the PAC-12
14 conference -- Larry Scott is the director there -- to try to
15 schedule a few games at the -- men's varsity team is on the
16 road. So we can get maybe three or four games at Hi Corbett
17 to bring back, you know, the luster of spring to Hi Corbett
18 field.

19 The -- we had the Colorado Rockies there from 1993
20 to 2010. The last year they were there, 78,000-plus fans
21 went through the turnstiles -- ADA, our general attendance
22 was over 5,000. Not bad for the city that's --

23 So thank you. Best of everything to you and your
24 work, the renovation to further develop downtown Tucson.
25 When the trolley gets up and running, that's another great

1 asset. Thank you very much and Merry Christmas.

2 CHAIRMAN McCUSKER: And Josefina Cardenas.

3 ATTENDEE: Buenas tardes. My name is Josefina
4 Cardenas from Barrio Kroeger Lane. Address, 902 West 21st
5 Street.

6 First of all, I would like to wish you the best
7 and Merry Christmas and best New Year ever and that we have
8 a lot of work to look forward to.

9 And I want to appreciate your investment in the
10 Urban Land Institute. It came out satisfying compared to
11 when we hear someone else coming to tell us what to do here
12 in Tucson. I think it was quite fair. So congratulations
13 for doing a good investment and being partnership --
14 especially one -- the partnership with the County, the City,
15 University, and you that came together for the betterment of
16 our Tucson.

17 And congratulations to the Mission Gardens and
18 that you have put it in paper and that we're seeing the
19 community come forward. And we are looking for the rest of
20 us, that you ask us all where -- how we're -- where we're at
21 in our barrios and our projects in Rancho Chuk Shon.

22 And also with the archaeology studies, we would
23 like to know and especially they keep -- be kept public,
24 because those lands are so sacred. We all should have the
25 right to be able to know what those archaeology studies are.

1 Because of archaeology studies, we have come to know that
2 it's the birthplace of Tucson after we have turned it into a
3 landfill. So anything else, please always keep -- keep it
4 to the public as well as the well-being. We're there at the
5 West Side needing to know, where our well-being of our
6 families and children, how that land is.

7 And then, concerning the Greyhound land, I still
8 keep on asking that you include them as public because they
9 do serve the lower income community.

10 Thank you.

11 CHAIRMAN McCUSKER: Elaine, you submitted a call
12 to the audience. Did you forget something?

13 MS. WEAVER: We did.

14 CHAIRMAN McCUSKER: Come back up. We'll just go
15 back to your agenda item, that way we can actually talk --

16 MS. WEAVER: That way we can discuss it.

17 CHAIRMAN McCUSKER: Yes.

18 MS. WEAVER: Perfect. Thank you very much.

19 So Phil and I were just -- Phil Swaim, Swaim
20 Associates Architects -- we were just discussing Mr. Moore's
21 request, comment about the credit for the seats. And so I
22 think we should have a little bit more discussion about what
23 is our goal, what is the intent of that credit? Because
24 what if we don't accept their credit? Those seats are of no
25 good to Rio Nuevo or the City.

1 CHAIRMAN McCUSKER: We don't know that we know
2 what we want to do with the information. We just want to
3 know what the purchaser thinks they're worth.

4 If they place a minimum value on them, we might
5 want to donate them to a school or the State or a
6 not-for-profit. If they have value, then, you know,
7 Mr. Hill made the comment at the last meeting, we'll do
8 what's in the best interest of the taxpayer.

9 So I think we just don't have enough information
10 to know if we should allow them to take the seats and apply
11 a core credit. Or if they place no value in those seats and
12 they're going to end up in the dump, you know, we might want
13 to do something with them. So I think that's the --
14 Mr. Moore's and my --

15 MS. WEAVER: Phil?

16 MR. SWAIM: Well, the question we had is if you
17 wanted to be able to actually make that an alternate, then,
18 to the -- to the bid. So Alternate 1 is somehow dealing
19 with those existing seats. You have -- it has to be -- the
20 bid has to be somehow set up so you have a choice to be able
21 to accept something or not.

22 My guess is that if -- that we're hearing that one
23 or two of the vendors probably want to be able to keep those
24 seats because it's value to them to be able to provide for
25 spare parts for other seats. If that's the case, my

1 understanding is that they said that their bid would
2 probably would -- or they would reflect the -- to lower
3 their cost to be able to -- you know, for their best
4 competitive advantage.

5 CHAIRMAN McCUSKER: So I think we just wanted to
6 know what the difference would be. We don't need them -- we
7 don't need really to do an amended bid, I don't think. We
8 don't need to do -- it's just put a value on what they think
9 those seats are worth and let us know so that we can direct
10 you to take any action or not.

11 MR. SWAIM: If all we do is put in a -- is ask
12 them to break that cost out so it's still within their bid,
13 that doesn't give you a choice to go ahead and accept it.
14 Or they could say it's worth \$0 or if they say, to them,
15 well, it's actually worth something to them. So if you
16 accept that alternate, they will deduct \$20,000 or \$50,000
17 from their bid, and that's value to you. There may be a
18 contractor that says if they have to take those seats and
19 transport them to a landfill, et cetera, it's going to cost
20 them another \$15,000. You might --

21 MS. WEAVER: That's what you would accept, then.
22 You would say -- or deny that -- we don't want --

23 CHAIRMAN McCUSKER: What are you suggesting that
24 you do an alternate? That you have two proposals in the
25 bid, one with a core value, one without a core value?

1 MR. SWAIM: Well, we would -- and I -- to be able
2 to give you the choice of whether or not to accept the
3 consequences of the value, either positive or negative of
4 those existing seats, we would have to be able to make it an
5 alternate price within the bid. As long as you would then
6 be willing to accept keeping those seats yourselves and then
7 having to store and manage and transfer and deal with those.

8 CHAIRMAN McCUSKER: Thank you.

9 TREASURER SHEAFE: Can I restate that?

10 CHAIRMAN McCUSKER: Would that need to be a motion
11 on our part?

12 MR. COLLINS: Yeah.

13 You're -- this is a discussion-only item for
14 today. So they can't take actions on any changes of what
15 you folks put out so far today because we're only on
16 discussion only.

17 CHAIRMAN McCUSKER: I believe you're
18 overcomplicating the request.

19 MR. SWAIM: Okay.

20 CHAIRMAN McCUSKER: I think all we just to know is
21 what those seats are worth to somebody else.

22 MR. SWAIM: Okay.

23 CHAIRMAN McCUSKER: If they have little value, we
24 might choose to do something else with them.

25 So I think it's just a matter of coming back with

1 us, is do they have -- they're worth \$2 dollars a seat or
2 they're worth no dollars a seat. And then we can discuss
3 if, you know, we want to do something other than apply them
4 as a credit.

5 So we know that will affect the price of the bid.
6 I think we all know that. I don't think it requires any
7 action on our -- well, I can't give you any action today
8 anyhow.

9 MS. WEAVER: But just to clarify, in the
10 solicitation, we've already said that it's the vendor that
11 will be removing the seats once the prison labor item -- we
12 did not move forward on that. So we do have to clarify for
13 the vendors.

14 CHAIRMAN McCUSKER: Just give us a core value,
15 right?

16 MS. WEAVER: But if you then want to do something
17 with those seats, we can't just take that away from the
18 vendor. We have to give them --

19 CHAIRMAN McCUSKER: We would have to replace the
20 core value, I would think. If they say the seats are worth
21 \$2 apiece and we don't give them to them, we're going to
22 have to give them an extra \$2.

23 Again, I think maybe we're overcomplicating the
24 whole thing. But we've probably done all we can do in this
25 meeting, Counselor, right?

1 MR. COLLINS: Yes.

2 CHAIRMAN McCUSKER: Because it's really not an
3 agenda item.

4 MR. COLLINS: You can talk about it, but you can't
5 make any decisions. And what I will do is I'll confer with
6 my partner, Mr. Schmaltz, who's been working with these
7 folks, and get his input on it too. But I think you're
8 right. All we can do is talk about it today.

9 MS. WEAVER: Mr. Moore?

10 MR. MOORE: Okay.

11 CHAIRMAN McCUSKER: Okay. Motion to adjourn?

12 MR. MOORE: Second.

13 CHAIRMAN McCUSKER: Motion and a second,
14 Mr. Moore.

15 All in favor, say aye.

16 (Ayes.)

17 CHAIRMAN McCUSKER: Meeting adjourned. See you
18 all in January. Have a happy holidays.

19 (Meeting concluded at 3:29 p.m.)

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C E R T I F I C A T E

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

John Fahrenwald