

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona
July 26, 2012
2:05 p.m.

REPORTED BY:

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1 CHAIRMAN McCUSKER: All right. We're going to
2 call the meeting to order.

3 This is the Rio Nuevo meeting for July 26th, 2012.
4 We have some very special -- probably our most important
5 guests that have ever appeared at the Rio Nuevo District
6 meeting. We have some girls from the Troop 645 that are
7 going to lead us in the Pledge of Allegiance.

8 (Pledge of Allegiance given)

9 CHAIRMAN McCUSKER: Thank you very much. Michele,
10 call the roll.

11 MS. BETTINI: Cody Ritchie?

12 MR. RITCHIE: Here.

13 MS. BETTINI: Jannie Cox?

14 MS. COX: Here.

15 MS. BETTINI: Alberto Moore?

16 SECRETARY MOORE: Present.

17 MS. BETTINI: Fletcher McCusker?

18 CHAIRMAN McCUSKER: Here.

19 MS. BETTINI: Chris Sheafe?

20 MR. SHEAFE: Here.

21 MS. BETTINI: Jeff Hill?

22 MR. HILL: Here.

23 MS. BETTINI: Mark Irvin?

24 MR. IRVIN: Here.

25 CHAIRMAN McCUSKER: We have two sets of minutes

1 that are actually fully transcribed. So they're actually
2 transcripts rather than minutes, so I think it would be
3 easier to approve than trying to nurture through minutes.
4 So basically here we're going to ask that you approve the
5 transcript as written unless you have any comments questions
6 or concerns about either document.

7 MS. COX: So moved.

8 MR. SHEAFE: I will say that, Mr. Chairman, I made
9 the mistake of hitting the print button.

10 MS. COX: And then you left the room.

11 MR. SHEAFE: Yeah. And then after stuffing paper
12 into my printer, I figured out that I don't think I'll do
13 that again. It gave me a chance to peruse through them, so
14 I am well qualified to move for approval.

15 MS. COX: Second.

16 CHAIRMAN McCUSKER: Any further comment?

17 All those in favor, say aye.

18 (The board voted and motion was passed)

19 CHAIRMAN McCUSKER: Mark, I think we have the
20 option to totally transcribe and/or take minutes?

21 MR. COLLINS: That's correct, Mr. Chairman.

22 CHAIRMAN McCUSKER: Okay. Thank you, everyone,
23 for coming. We have a number of things we'd like to talk to
24 you about -- talk amongst ourselves about today.

25 Tomorrow is my 63rd birthday. I think I was 53

1 when I joined the board a couple of months ago. We wanted
2 to kind of precede the meeting with a conversation amongst
3 us, particularly, about some priorities.

4 The Manning House has clearly been a distraction
5 for all of us. It was a response to an urgent situation
6 that many of us saw, but it's now the tail wagging the dog.

7 So we kind of wanted to regroup and discuss
8 particularly how we view our priorities, and maybe come to
9 some consensus -- I think this is the first time all of us
10 have been physically together since the board has been
11 reorganized -- and kind of talk about how we go forward,
12 what we do going forward, what our priorities are, going
13 forward.

14 Of course, all this tends to be in concert with
15 the City of Tucson. They are our partner. We have an
16 intergovernmental agreement that requires for them to
17 approve anything that we do. We do not have unilateral
18 authority to move ahead on anything. But we do have a
19 pretty good understanding and a little better understanding
20 today even than we did last week about what our mandate is,
21 and what legal structure we have to operate as the tax
22 district.

23 There are a couple of handouts that we're going
24 look at here. If you don't have one, there are copies in
25 front. And I thought it would be good to kind of start this

1 process to go back and look at the 1999 Proposition 400,
2 which actually started this District nearly 13 years ago.

3 When I got here, I had some kind of basic
4 priorities that were, from my background, business oriented.
5 I wanted to know where the resources were; I wanted to know
6 how cash works; I wanted to know what funds we had available
7 if we wanted to engage in a project; I wanted to understand
8 the law.

9 We've been doing a lot of that kind of work over
10 the last couple of months. And I looked, and was pleasantly
11 surprised. The District has more resources than I thought
12 we did. We don't have a lot of resources. We're not going
13 to have the \$250 million that previous District boards have
14 had at their disposal, but we might have a fifth of that.
15 We might have something between 25 or 30, \$40 million over
16 the next few years.

17 We think we can improve that. We found some
18 glaring issues with merchant compliance. There are 1100 --
19 right Michelle? -- merchants in the TIF that have to
20 self-identify themselves in order for that money to be
21 allocated back to Rio Nuevo. And we know there are
22 compliance issues with that. One store, one audit in July,
23 produced \$2.2 million of additional TIF revenue that had not
24 been properly allocated to us.

25 The TIF for 2012 we can now tell you was

1 profitable to the tune of a couple million dollars. The
2 last three years in fact have been profitable. Two of our
3 largest debt instruments are retiring, the 2002 TCC COPS
4 \$35 million participation agreements are terminated. We
5 paid the last payment on that last month. And the Fox
6 Theater bonds that were issued in 2005, \$5.8 million, we
7 will make the last payment on this year. So the debt's
8 coming down; the TIF revenue's coming up. And that's a good
9 sign.

10 Now that doesn't mean we get to go crazy with
11 that money, but it does give us an opportunity to invest in
12 something. And I think one of the premises that we share on
13 the board -- and maybe we haven't been too good about
14 communicating -- is that we view that money as seed money.
15 We're really not in a position to buy, own, or operate much
16 of anything. We already own the Tucson Convention Center,
17 which is going to require a substantial investment to
18 modernize that.

19 Short of that, we cannot build a hotel or an
20 arena or any of the projects that might otherwise have been
21 envisioned several years ago. But we do believe we can
22 partner and be a successful joint venturer with many other
23 people and jurisdictions. And if you look at successful
24 TIFs, that's really how they've used their money.

25 San Diego: For every dollar their TIF

1 invested, they've attracted \$6 of private sector investment.
2 So when you look back at the \$250 million that we've spent,
3 not only is that wasted opportunity, but so is it's
4 leverage. So we really lost a billion dollars of investment
5 opportunity in downtown Tucson.

6 So we intend to try and resurrect that
7 spirit. And if you look at the original proposition, it
8 actually suggests that this would be a leveraging kind of
9 partnership. It suggests in the ballot in 1999 that the
10 government will spend something in the neighborhood of 60 to
11 \$80 million out of a \$320 million proposal. This is what we
12 all voted for in 1999.

13 But if you look at it forensically -- in
14 fact, the government spent \$240 million of their own money
15 and didn't attract dollar one of private sector investment.
16 And I think that speaks to the real failure of Rio Nuevo, is
17 to try it do it all themselves without attracting private
18 sector investors.

19 Our -- my objective -- and we can talk about
20 it, I think, at the board level -- is that we use what
21 available money we have today to partner with others: the
22 City, the County, private developers, property owners that
23 surround us, developers that might come to us from other
24 parts of the country knowing that we're a friendly
25 organization to partner with. That's really how I envision

1 us going forward.

2 Now it's clear that we have some priorities.
3 Some of those are set by legislative mandate. If you look
4 at the 2009 legislation, it was very clear in terms of what
5 our restrictions are. And this speaks to the Notice to
6 Proceed issue which we were hopeful we had resolved, but
7 it's still not entirely clear.

8 In that piece of legislation, it instructed
9 the District that they could spend no public monies until a
10 notice to proceed had been issued on the convention center
11 and hotel projects. That was part of the mandate that
12 recreated the board that we all now sit on.

13 Indeed, in October of 2010, this District
14 board, predecessor board, issued a Notice to Proceed on the
15 hotel project. Ultimately, the city council rejected that
16 proposal.

17 So many of our attorneys believe that we, in
18 fact, met the intent and spirit of the law. When we talked
19 about the Manning House last week, we weren't certain that
20 we had. And Alberto made a motion to try and gain control
21 of that property, subject to a review of our legal
22 authority, which we asked the legislature to confirm for us.

23 We did get a letter from legislative counsel
24 that indicates in their mind that Notice to Proceed was
25 proper. And that would inform us that we could move forward

1 on any other project that met the legal mandate.

2 I will tell you that the City of Tucson
3 disagrees with me. The City Attorney disagrees with that.
4 And at least, certainly, one City councilman disagrees with
5 that. So it may be moot in terms of how legislative council
6 views that if our partner disagrees with them.

7 So our mandating legislation requires a
8 Notice to Proceed. One of the ways to remedy that is to
9 issue a new one. And that means we find a project, a hotel
10 project, we engage in the renovation of the Tucson
11 Convention Center, and we move forward under the original
12 intention of the 2009 legislation. And we're prepared to do
13 that. We're actually optimistic about our ability to do
14 that.

15 In the few weeks that we've been together,
16 there are no fewer than five hotel projects in our proximity
17 that could be delivered in short order enough for us to
18 issue a Notice to Proceed. They're all in private hands.
19 So that would require us to partner with a private sector
20 developer and the City to move those forward.

21 But think about that for a minute. We've
22 struggled for 13 years on a single hotel. We might be in a
23 position to launch 4 or 5. That's why we're here. That's
24 why any of us are involved in this today. And that will not
25 be using our money; it will be working with private sector

1 developers that do that.

2 That part and parcel was our interest in the
3 Manning House. Not so much the Manning House -- although
4 many of us are passionate about its history -- it was its
5 adjacent four acres that were the most attractive to us as
6 developers, because that is yet another potential hotel
7 site. And we have heard from an international hotel
8 operator, since we shined a very bright light on that last
9 week, that they would be very interested in developing a
10 hotel on that property.

11 So I think our priority, speaking for me --
12 and then I'll ask the board to share their thoughts -- is:

13 A) to settle the lawsuit with the City. None
14 of this works until we have a partner now that's willing to
15 engage with us.

16 And I use the word "settle" very carefully.
17 We've made it very clear, we're not walking away from this
18 litigation. That's a two-edged sword. It's a two-party
19 transaction. Both parties are going to have to come
20 together to settle this. We can't settle it by ourselves,
21 nor are we going to dismiss it. So it requires the City and
22 us to have a meeting of the minds.

23 If we can do that, I believe we can move
24 quickly on the Tucson Convention Center projects. And we're
25 prepared to commit some of the resources that we have to do

1 that.

2 One of the things that I am personally
3 interested in looking at is the total rehab of that
4 facility. Not just throwing some money at the bathrooms,
5 but: Is that facility remodelable to the entire extent?

6 If you know what we're doing at McKale --
7 it's an arena about the same age, but the University is
8 going to totally modernize that facility by taking the roof
9 off, expanding the seats upwards, and then modernizing the
10 entire arena structure. It's not inconceivable to me that
11 that couldn't be done at the Tucson Convention Center arena
12 for a lot less money than the \$200 million that it would
13 take to build a new one. I'm very interested in the
14 feasibility of that kind of project.

15 Once we have that kind of agreement --
16 whatever we're doing -- I do believe we can launch on one or
17 more hotel projects. And that allows us to issue a Notice
18 to Proceed that then allows us to engage in other projects
19 that we're legislatively allowed to do, both in terms of the
20 primary and secondary component. From my perspective -- and
21 I've been very public about this -- in my mind, that's the
22 West Side.

23 You've heard us talk about the East Side and
24 the organic development that's happening there, quite
25 successfully, without any of us. But if you go from the

1 Convention Center west, we have a lot of vacant land and a
2 beautiful new bridge now that crosses the river at Cushing
3 Street that's about to be nicknamed "The Bridge to Nowhere."
4 And we would like to do something about this.

5 And you're going to see us inviting some
6 people into meetings, starting today with the presentation
7 from the Mission Gardens folks, on projects that are west of
8 the freeway. And we as a board begin to embrace those and
9 work with our partner, the City, and other partners that
10 might allow some of what was originally designed in this
11 proposition to move forward.

12 In that packet is a copy for you of the
13 enabling legislation, a definition of the primary and
14 secondary component, and the original proposition itself,
15 which I believe, you know, we can certainly revisit in terms
16 of the spirit of that original legislation.

17 So with that -- you said 10 minutes, Albert,
18 that was pretty good. Chris said 30.

19 So fellow board members, what are your
20 thoughts? We've created a dilemma in the minds of the
21 public by diverting to the Manning House. I think we have
22 to kind of come back and let people know where we're headed.

23 MR. SHEAFE: Let me just say a couple of things
24 that might be of benefit.

25 First is that when I was first involved with Rio

1 Nuevo a number of years ago, we spent some time on our own
2 checking into other cities to see how they were able to
3 accomplish things. And we found in every case a significant
4 driver behind every benefit that the City was able to
5 achieve.

6 The legislation's fine. Even the funding capacity
7 is fine. But we need somebody that has the energy and the
8 focus and the desire and the drive and the priorities to
9 make things happen, to gather -- even a board -- and get
10 them to make decisions consistently and for the betterment
11 of the community. That's how it was repeated.

12 It was one lawyer over there that kind of stepped
13 up and dedicated his life to it. It was Bill Brandy up in
14 Seattle; he did the whole Denny Regrade area. Portland had
15 actually three drivers because it took a long enough time
16 and it was one succeeded by another one.

17 I'll just tell you I haven't been on this board
18 very long. And prior to coming on this board, I really
19 didn't know the other board members that well. But I have
20 been absolutely impressed with the amount of dedication that
21 I've seen in just a short period of time.

22 And Fletcher kind of goes into the outer orbit of
23 this compliment. He has dedicated himself at a level that
24 is -- it's almost exclusively working on it. I'm on the
25 phone with him or getting an email with him. I'm seeing the

1 progress that's taking place. Alberto's been there, other
2 members of the board have chimed in when they've needed to,
3 and the ball is beginning to move forward.

4 So I would say the initial feeling that this
5 community ought to have is that we have a great opportunity
6 in front of us. I said this a week ago: We will have to
7 work to make it not successful. We have that many benefits
8 working for us.

9 But now we are being led by a person who has all
10 the right instincts, all the right ability to touch into the
11 areas of resource that we need in the community, and the
12 capacity and the energy to put it together. And that is an
13 enormous resource.

14 City after city that we've talked to had that same
15 description. Well it was really when it came right down to
16 it, Joe. And Joe just kept driving the ball everywhere.
17 Rio Salado in Tempe is very much that way.

18 So I just want to start off, Fletcher, by
19 complimenting the effort that I've seen you make and the
20 direction I've seen you set and the priorities that you have
21 expressed, which has made it very easy for the other board
22 members to feel comfortable with, which are, that we are
23 going to invest dollars, not spend dollars. And those
24 investments will roll in multiples of 6, 8, \$10, per dollar.

25 Done intelligently, that is a formula that

1 actually works. Urban Land Institute has a number of
2 studies on this. There's plenty of case evidence. And I've
3 personally seen it all the way from just little examples,
4 which went on in Tempe with Rio Salado, to major examples.

5 And I had the opportunity as a ULI member to go
6 back and meet with Mayor Giuliani and Pataki and sit in a
7 room and have them describe how they turned around
8 Manhattan, after Manhattan was almost falling apart. It's
9 the same formula. It's the same thing. It takes somebody
10 to drive it, and that's essentially what we have going on
11 here.

12 So the Manning House came up. It is absolutely an
13 opportunity for this community to use the -- our ability to
14 solve problems, more than invest dollars, so that we create
15 an arena that's available to the right developer to put in
16 a boutique hotel. I believe that's coming. There's a few
17 steps that need to be taken before we get there. And I'm
18 not personally convinced that we need to use much money. We
19 really just need to use our ability to bring the forces
20 together, and that actually excites me.

21 And there's another major project that I think we
22 can have huge benefit in getting resolution of competing
23 parties all get on one piece of thinking, and next thing you
24 know we've got other problems solved for this community. So
25 maybe I'm a little windy, but that's what I wanted to

1 express.

2 CHAIRMAN McCUSKER: Cody, you missed the whole
3 thing.

4 MR. RITCHIE: I was out of town, officially, and I
5 heard a lot about it while I was gone. I first want to echo
6 what Chris said. Fletcher's dedication to this project --
7 or to this Rio Nuevo District, is unprecedented. His
8 passion -- all of us have passion in what we do. And
9 myself, along with the rest of the board members, I think
10 we're passionate individuals.

11 In my business -- and I think in all of your
12 businesses -- if you guys are business owners out there, it
13 does take money. You have to spend money to make money.
14 You have to invest in the infrastructure to grow our
15 businesses.

16 That being said, the reason I joined this board is
17 that as a taxpayer and a community member, I noted last
18 month at my first meeting the wasted opportunities were
19 disappointing and depressing. And our community, just for a
20 lack of vision, a lack of knowhow, a lack of business
21 leadership, missed out on a golden opportunity. So we have
22 a second chance here.

23 Now, personally -- and I expressed this to the
24 chairman and I think he kind of agreed with me -- I'm not
25 really for buying things with Rio Nuevo money. However, I

1 think cart -- like everybody said, it got out in front of
2 the horse -- I think what Fletcher was trying to do and that
3 the board was -- to try to be a referee, so to speak, and
4 try to find a good private home for -- business owner for
5 this project.

6 So that -- everything that you say, Fletcher, I
7 agree with. We're going to agree to disagree. There's
8 going to be some things that I don't agree with all the
9 other board members on a hundred percent of the time.

10 But I'm excited. I think there's some momentum.
11 I think that for the misdeeds -- if there were any in the
12 past -- that we need to keep -- keep the pressure on and
13 make sure that -- what am I looking for? -- the reports or
14 the forensic audits must still be conducted. But that means
15 that we're going to take some baby steps. And I think that
16 people looking back 30, 40 years from now, can be proud,
17 hopefully, of what this board's going to accomplish.

18 CHAIRMAN McCUSKER: The older members, Jeff,
19 Albert, Jannie, have been through a lot of these
20 transitions, you know. And, Jeff, what's your sense about
21 our priorities? Are we headed in the right direction, or
22 are we askew in any manner?

23 MR. HILL: No. I think that the fundamental
24 concept that we just -- Cody was just talking about -- was
25 trying to determine from the taxpayers where the money went,

1 and next priority was, how much money we've got. Gone a
2 long way to find that out. And then the third priority is
3 to maximize, get the biggest bang for the buck; and it
4 appears to me we're on target.

5 CHAIRMAN McCUSKER: Jan?

6 MS. COX: And I would concur. I am enormously
7 encouraged about Rio Nuevo and our potential for the future.
8 I feel like Fletcher is exactly the leader we need at
9 exactly the right time. I have tremendous confidence and
10 trust in him. And I really look forward to moving forward.

11 My hope -- and I hope it's not too much like the
12 Pollyanna that I've been accused of being -- but I would
13 like to think that when the facts come forward through the
14 forensic audits, that we can sit down with the City, and
15 that whoever needs to be accountable is accountable. I
16 fully understand the City does not have \$230 million to give
17 back.

18 So what we need to do is determine what happened
19 to those dollars, then determine where we are today legally,
20 financially, and agree with the City on our joint
21 priorities -- and hopefully they are joint priorities, and
22 then move that way without looking back that way and talking
23 about who did what to who over so many years.

24 And I really have a wonderful sense of confidence
25 that that can happen now. I think we have the right people

1 together, we work together very well, we communicate
2 together very well. I am proud to be a part of this group,
3 and I can't wait to get, perhaps, a boutique hotel on the
4 ground.

5 CHAIRMAN McCUSKER: I do think there's some new
6 urgency on behalf of the City. And I think our focus on
7 development has forced them to have to respond, maybe in our
8 timeframe, not theirs.

9 But the president of the senate made it pretty
10 clear we're on the short fuse and if we don't show some sort
11 progress, probably by the session, you know, he'll be one of
12 the first people to move to terminate the TIF. So it may
13 seem like impatience or impertinence, but we also understand
14 we have a clear mandate to do economic development.

15 And Alberto, you've been a champion of the
16 forensic stuff. You know, I think all of us agree today
17 that that is not going to be let go. The City's got to come
18 to us on those issues. We're going to hear from Susan today
19 on an update with that, and hopefully we're hearing a better
20 spirit of cooperation. I will be astonished and perturbed
21 if that's not the case.

22 But I think, you know, through Alberto's
23 leadership and all of that, he's held all of us accountable
24 that the number one agenda item is the City's acceptance of
25 an accountability for what's occurred in the past. And not

1 only will that resolve things for us to go forward, but that
2 will enrich us to the extent that they're willing to settle
3 the lawsuit. So, you know, we're pressing forward on all
4 fronts.

5 I will tell you, as a multitasker, I think we are
6 capable of multiple projects. This does not need to be a
7 singularly-focused agenda. I believe we can work on the TCC
8 and work on the audits and work with hotel developers and
9 work with West Side developers simultaneously. We can
10 divide that up amongst ourselves. But I think we're
11 perfectly capable of managing a multiple agenda.

12 I'm going save you for last.

13 Mark?

14 MR. IRVIN: Well, I just -- first of all, I agree
15 with you, Fletcher. I don't think we can do it alone. And
16 I think if we're going to make this District successful,
17 we're going to have to look for partners and opportunities.
18 And I think the City and the County and the State and the
19 University and the Indian Nations and the private sector all
20 need to come and play a part in that. I agree with your
21 numbers on the 1 to 6 ratio; that's kind of what I've seen.

22 I'd say, as far as I'm concerned, you know -- I
23 mean, the forensic audits are one thing, and I think those
24 are great, and we need to look at those and whatever.

25 But I have always been bothered that it seemed

1 like that was a really heavy part and a singular part of our
2 focus, and I've always felt we could multitask. And so I'd
3 like to see us settle up our difference with the City -- I
4 don't see how you can partner with somebody if you don't
5 figure out how to settle that -- and then also just get on
6 the same page with them.

7 I'd like to see us focus on some TIF-generating
8 projects. You know, I think if we'd have done that on Day
9 One, and actually had done some things that were adding
10 monies back into the District, we would have had a bigger
11 leg up.

12 And I like the attitude, Fletcher. I think that
13 you've brought to us that let's find out how we can do
14 things, rather than trying to find out why we can't do
15 things. So with that being said, I just appreciate your
16 service and I like kind of where we're going.

17 MR. RITCHIE: Mr. Chairman, one question for you.
18 And I think I have it correct, but with the TIF -- I think
19 the public may not know, correct me if I'm wrong, but if the
20 legislature was to shut us down, the cost of goods in that
21 TIF district, the taxes, everything remains the same. The
22 money's just not kept back down here for our District. Is
23 that not correct, Mark?

24 MR. COLLINS: Yeah, that's my opinion.

25 MR. RITCHIE: Okay. So --

1 CHAIRMAN McCUSKER: But moreover, Cody, it has to
2 continue to retire the debt.

3 MR. RITCHIE: Right.

4 CHAIRMAN McCUSKER: So, you know, they can dismiss
5 all of us, but the District as an entity has multiple years
6 of the debt.

7 MR. COLLINS: The District has obligations that it
8 must fulfill, and the TIF provides -- the TIF funds provide
9 the source of those.

10 MR. RITCHIE: So common sense would tell you that
11 all of us that are shooting at each other right now, and
12 kind of like in going forward, we need to figure this out,
13 have to have the money stay down here in southern Arizona
14 and downtown Tucson because we have some obligations that we
15 have to fulfill.

16 So I think that the other great thing that --
17 about our Chairman here, and all of us on the board, is we
18 are getting input from everybody in the community on --

19 MS. COX: That's for sure.

20 MR. RITCHIE: And I think that it's very important
21 that all voices are heard. And I welcome -- if anybody
22 wants to contact me and give me their two cents -- or any of
23 these other board members -- I think that's very important
24 to know.

25 CHAIRMAN McCUSKER: Albert?

1 SECRETARY MOORE: Well, let me go along with
2 everybody else about Fletcher. I've had the pleasure of
3 working with him, and also with Chris, and I'm very
4 impressed. I think we're very lucky to have both of them.
5 I haven't had the opportunity work with Cody, but I'm
6 looking forward to it.

7 But I want to sort of lay out a couple thoughts I
8 had. And one is the first regime of this Rio Nuevo group
9 that, you know, seems to be taking some heat, were the ones
10 that went in and did the forensic examination and brought
11 forward the concerns of the citizenry -- they did that at
12 their request -- to find out where these monies were spent
13 and to hold the City accountable. And if I do anything
14 else, that's all I'm interested -- I want to hold the City
15 accountable.

16 We've spent a lot of money and it's wasted. And
17 it discourages me when I look at whatever effort that might
18 be right or wrong about the Manning House. But that was a
19 real business decision to look at a property that could be
20 generating real TIF funds into the downtown community.

21 Now, I understand all the other concerns, and I
22 agree with them as far as the Notice to Proceed and so
23 forth. But when you look back at some of the other
24 investments that the City has made: the Fox Theater, the
25 Rialto, the Depot Garage, and goes on and goes on. And they

1 just wasted money. None of it's going to produce any
2 benefit to our community, and yet nobody seems to care.

3 And that's fascinating because everybody got all
4 concerned about the Manning House, about, gee whiz, how are
5 you doing this, and you have no authority to do anything.

6 But they don't say anything about the City. And I
7 feel that if we're going to do anything and if they're going
8 to be a partner of ours, they've got be held accountable and
9 they have to come to the table willing to cooperate, not
10 just give us a lot of lip service.

11 But I'm tired of going to them, trying to create a
12 situation in which they should be supported, and then they
13 pull tricks on us, well, you're going to have to sign
14 another term sheet that basically takes them off the hook
15 for everything they've done in the past. I'm not supporting
16 anything like that.

17 And I want to make sure that people understand, if
18 we're going to hold the City accountable -- at least I am.
19 And I expect that's the reason why we can negotiate;
20 otherwise, if we're neutralized and support their dreams and
21 their interests, we'll be neutralized and will not be able
22 to accomplish anything.

23 And so that's my concern here. And, you know, I
24 think the previous board did a lot to bring to a focus, and
25 I think the new board is another phase of positive

1 opportunities that we can do. But we need to hold the City
2 accountable.

3 That's all I have to say.

4 CHAIRMAN McCUSKER: And we welcome your comments.
5 Please sign up. And we're pretty generous about our time
6 with that. And Cody's right, we're all email junkies. If
7 you want to make a comment, we'll most likely get back to
8 you.

9 Let's see if we can move our agenda on. The next
10 item is an update for you on the CFO recruitment. We can
11 report, I think -- Michele, correct me if I'm wrong -- but I
12 think we've received 16 resumes for that position: some
13 local, some not local. Those have been distributed to the
14 executive committee, which is myself, Alberto, and Jeff.

15 And while I've never participated in this process
16 formally, typically what I would do is that we would narrow
17 that down to three or four candidates, and then allow the
18 rest of the board to participate in those interviews and
19 come to some sort of consensus.

20 It's always a challenge in a forum like this
21 because I'm a proponent of some public engagements, some
22 public Q & A on a position of that importance. But a lot
23 of people who apply for a job like this, their employer, in
24 fact, may not know they've applied. So there's a lot of
25 sensitivity around confidentiality. So we may or may not be

1 able to do that given a nature of some of the candidates.

2 But we're going to press on with that. We just
3 cut that off, I believe, on the 25th, so we're very grateful
4 to those people that have applied. And hopefully by the
5 next meeting, we will be pretty close to a decision in that
6 regard.

7 We're going to take a minute just to update you on
8 a variety tenacious merchant education programs that we've
9 launched. I think you've heard us talk about the issues
10 within the TIF boundaries. We can now confirm for you there
11 are 1100, one thousand one hundred merchants that are in
12 this dog bone from the West Side to the East Side. And
13 astonishingly, they have to code themselves their own tax
14 return in order for the Rio Nuevo money to be reallocated
15 back to us.

16 We've asked for the list. We've gotten generally
17 an incomplete list from the State and the City, which
18 already highlights for you some issues. We can drive up and
19 down Broadway and see for ourselves who the merchants are,
20 and then they don't show up on the TIF list. So you know
21 you've got a compliance issue with that. And we've yet to
22 really dig into those merchants to identify those that are
23 not compliant.

24 What we're communicating to merchants is: This is
25 good for Tucson. It doesn't cost you anything to put that

1 eight-letter code in there, and there's no penalty if you
2 don't.

3 So the State has now agreed with us to go back
4 three years to recover some of this lost TIF revenue. It
5 could be huge. Given the fact that we just had one merchant
6 with over \$2 million of unallocated money, this is a real
7 opportunity for us to maximize the TIF revenue.

8 Michele is running that program for us. So you --
9 I think you're going to just give us a couple of comments
10 about where you are and what our plans are with the TIF
11 program.

12 For those of you that don't know, Michele is the
13 Operations Administrator for the Rio Nuevo. And she --

14 MR. SHEAFE: She's in charge.

15 CHAIRMAN McCUSKER: She's in charge. And she will
16 answer the phone.

17 MS. BETTINI: Yes, I do answer the phone.

18 CHAIRMAN McCUSKER: She answers the phone.
19 There'll be no voice mail, you get Michele.

20 MS. BETTINI: No, you get me. And my cell phone
21 is listed everywhere too. So I do answer everything.

22 I am Michele Bettini. I am from Rio Nuevo. I am
23 in charge of heading up the TIF right now. I've been
24 working with the City on getting the list of all the
25 merchants. And like Fletcher said, we do have 1100

1 merchants. I literally do drive up and down Broadway and on
2 the west side of the freeway, match what the City has
3 provided me on their list. And if I find merchants that are
4 not on the list, I've emailed the City and asked them if
5 they're in compliance.

6 Like Fletcher has said, the State has agreed if I
7 come up with at least three people that aren't in
8 compliance, they will audit the whole merchant system of TIF
9 for the last three years.

10 MS. COX: If you find only three?

11 CHAIRMAN McCUSKER: That's all we need.

12 MS. BETTINI: We could probably go back further.

13 CHAIRMAN McCUSKER: It's the test that there are
14 noncompliant merchants. So if you have any friends that
15 aren't coding us, tell them to fess up.

16 MS. BETTINI: Correct. I was telling Fletcher
17 yesterday, just driving up Broadway, I found four merchants,
18 just yesterday alone, driving up Broadway that are not on
19 the merchant list. So me driving one day up Broadway,
20 there's four people, four merchants, that's just one day.
21 So if I continue, obviously we're going to find a lot more
22 because I know the City doesn't have the time to drive up
23 and down Broadway.

24 I've also talked to a couple of successful TIF
25 districts. I've talked to the Department of Revenue in

1 Illinois and what they're informed me is why everybody's so
2 successful in TIF is every TIF district has their own
3 separate form.

4 So I've talked to the Arizona Department of
5 Revenue. And what we're trying to come up with is if I can
6 provide every single address in the TIF district, they would
7 be willing to make our own forms for our TIF district so we
8 won't have to --

9 MS. COX: Let's just do that. I'll help you do
10 that.

11 MS. BETTINI: It's just a lot of leg work. So
12 I've started on that and as soon as I can get every address
13 to them in our district -- if it's not an address, I can
14 provide them a parcel -- and once someone starts to build or
15 goes to build on that parcel, they're generate an address,
16 and then it automatically is in that format in that form.
17 So that's what we're shooting at right now.

18 CHAIRMAN McCUSKER: And again, for merchants that
19 are concerned, there's no penalty for you. If you haven't
20 properly coded this, we can recapture this money and
21 reallocate it back to the District.

22 We do now know there's about a three-month lag, so
23 the \$2.7 million June -- I think the largest TIF revenue
24 we've ever enjoyed -- we will see that in about three
25 months. So we can really enhance our cash availability, I

1 think, if we can capture some of these noncompliant
2 merchants.

3 And I now find myself -- every time I go to a TIF
4 merchants, I try to find the boss. And I have one of those
5 little forms with me and say, do you know this is how it
6 works? And I'm surprised, most of them do not.

7 Michele, thank you very much.

8 MS. BETTINI: Thank you.

9 MR. SHEAFE: I have a question.

10 CHAIRMAN McCUSKER: Sure.

11 MR. SHEAFE: Do you have a timeframe for the
12 hiring decision on the CFO?

13 CHAIRMAN McCUSKER: I'd like to by the next
14 meeting.

15 MR. SHEAFE: Okay.

16 CHAIRMAN McCUSKER: Item No. 7 is the update on
17 the forensic audits.

18 Susan, thank you very much.

19 MS. VOS: Good afternoon, Chairman, members of the
20 board. I just have a really quick update. I've been
21 working -- as far as the West Side, I did receive copies of
22 all the contracts from Kelly Gottschalk. We've had those
23 Bates labeled and ready to look at now. As far as the
24 remaining documents, I haven't received anything from the
25 City.

1 I contacted Kelly earlier this week. When we had
2 originally spoke a couple weeks ago, she was to get to me --
3 we were going see if we can arrange to send a staff person
4 down to the City to help find those documents on microfilm,
5 whatever it took. I hadn't heard from her, so I contacted
6 her this week. They're still working on it, trying to
7 determine where everything's at, exactly how many pieces of
8 paper there are for us to obtain. And then she informed me
9 that Sylvia will be contacting me to let me know how we're
10 going to obtain all these documents.

11 CHAIRMAN McCUSKER: Between meetings, will you
12 send me like a weekly update on status and cooperation with
13 the City?

14 SECRETARY MOORE: Susan, how many people are --
15 what does that represent, once they have it brought to you,
16 compared to what you've started with that's in your request,
17 as opposed to what they've given you and what's left?

18 MS. VOS: It's all of the supporting
19 documentation. I've received --

20 SECRETARY MOORE: What does that mean?

21 MS. VOS: That means receipts, invoices, paper
22 applications, what I'm going to be basing my forensic
23 examination on. I've got contracts, but I don't know that I
24 have all of the contracts yet because I still don't have all
25 of the supporting documentation.

1 CHAIRMAN McCUSKER: From what I understand Kelly
2 said is that most of that, they believe, is on site. And,
3 you know, it's going to be more expeditious if we have
4 someone there, you know, saying, I want to see this, and
5 then they'll get it, and we can make of copy of it.

6 MS. VOS: Right.

7 CHAIRMAN McCUSKER: You know, I know it's manhours
8 on your side, but I think we've authorized that.

9 MS. VOS: Right. And that is why I offered a
10 staff person of mine to go down there at a lower hourly
11 rate. They can start saving stuff on disks and just try to
12 get all that documentation, try to help the City out. I
13 know they're limited on their staffing as well. They've
14 got, you know, day-to-day jobs they have to do. It's just
15 coordinating that with them.

16 CHAIRMAN McCUSKER: Get me that in writing, and
17 I'll update the mayor.

18 MS. VOS: Okay.

19 SECRETARY MOORE: Excuse me. One other question.
20 Do you think that we could go back to the City once we get
21 all of this to get reimbursed for the expense of going
22 through this information?

23 CHAIRMAN McCUSKER: That's on my to-do list.

24 SECRETARY MOORE: Oh, okay.

25 CHAIRMAN McCUSKER: Any questions for Susan?

1 So there's really no way to discuss the timeframe
2 at this point?

3 MS. VOS: No. I'm still -- on the Westside
4 Project, I'm at the mercy of the City.

5 CHAIRMAN McCUSKER: And the Depot Garage?

6 MS. VOS: Depot, I've started reviewing the City
7 response. And I'm now compiling a list of questions and
8 additional document requests based on that response from the
9 City. They highlighted some documentation that they didn't
10 have previously. So I'm compiling that listing also. When
11 I get through that analysis, I'll be going back to the City
12 for another request for them.

13 CHAIRMAN McCUSKER: Okay. Thank you very much.

14 Any questions for Susan?

15 Okay. We're going to briefly discuss the Manning
16 House and where we are after last week.

17 Mark, I'll have to ask you to recuse yourself.
18 Actually, if you'll leave the room during this discussion,
19 we'll come get you.

20 MR. IRVIN: Okay.

21 CHAIRMAN McCUSKER: Mark is a prior listing agent
22 of this property. So our policy, if you have a conflict, we
23 will ask that you physically step out of the room during
24 such conversations. And I can tell you now, we are all
25 going to be visiting the boys' room for some conversations

1 because many of us have some sort of conflict.

2 Just a quick update -- and Chris and Alberto and I
3 have spent the lion's part of this week working on this
4 project. You'll remember if you were here, you saw the
5 motion. A motion was made to develop an option to purchase
6 the Manning House for a short period of time so that we
7 could control the property and identify if there was a
8 plausible development that could save that mansion and, at
9 the same time, create a tax generating base.

10 The issue of the legal Notice to Proceed was we
11 had part of that motion and we agreed that we would not
12 proceed without legal authority. We do have a legal opinion
13 from legislative counsel that does seem to support that we
14 can move forward on that project.

15 However, I will tell you that that's probably
16 still cloudy legal ground. It's not an AG's opinion. The
17 City doesn't concur with the opinion. The City is our
18 partner, so there's some risk if we were to proceed entirely
19 based upon legislative counsel.

20 Now, I do believe legislative counsel is in the
21 best position to judge legislative intent because, after
22 all, they're the ones that wrote the bill. Needless to say,
23 we'll probably still have legal clouds over our ability to
24 move forward on that project.

25 In the meantime, three possible developers have

1 approached us about partnering with that project. Two of
2 them are not known to us. They are brand new to anyone on
3 this board. One of those is a local developer that's
4 involved in some other projects. And all of them are
5 certainly financially capable of a multimillion dollar
6 project on that site.

7 There are a number of challenges, we've learned in
8 the last week, not the least of which includes a
9 hundred-foot-wide easement from the City of Tucson that runs
10 smack dab in the middle of that property; and an
11 archaeological site that is deemed to be untouchable on a
12 substantial portion of that property; and its back end is
13 surrounded by City and State land, and then up to the Circle
14 K that you're all familiar with on the street.

15 So, there's a lot of challenges to put together a
16 deal on that particular site. And I think given where we
17 are, those of us that have been working on it, it's clear
18 that a short-term option would not give anyone the time to
19 work all that out.

20 And I think we're prepared to move forward by
21 saying, we're happy to help; we can run interference for
22 developers; we can help negotiate with the City; we can help
23 negotiate with the seller and the seller's lenders. But I
24 don't know that, A, we have the authority to invest in this
25 project; and, B, even if we did, that we could do it in a

1 timeframe that would make a difference.

2 An option is an interesting instrument. And it's
3 been widely confused, since, last week, Chris, most of the
4 editorial comment which has been, I think, more than the
5 Supreme Court decision on healthcare. But all we were
6 trying to do was to create control over the property. We do
7 not want to buy this property. We don't want to own this
8 property. We don't want to develop this property. We don't
9 want to develop and operate a hotel.

10 But by controlling the property -- if you look at
11 other successful TIFs -- we're sorry we keep pointing you to
12 other jurisdictions -- but for the most part they control
13 their land. And what they do with that land, then, is
14 contribute it into a project that attracts a developer. And
15 that's the primary focus of TIFs, as Chris said, is really
16 to contribute to the infrastructure: the support, the land,
17 the water, the sewer, whatever can help a developer develop
18 a project.

19 That is a prime piece of land within our TIF
20 boundaries. We have confirmed that. That could be -- and
21 should be -- a productive, tax-paying entity.

22 So my position, we do not need to take any action
23 unless somebody wants to propose some sort of action. We
24 did not execute the option from last week because we never
25 really resolved the legal issues, and it was a short-term

1 option motion to begin with.

2 So here we are kind of back at ground zero, ladies
3 and gentlemen, at the Manning House. It's some risk. We do
4 now have some interested partners that have indicated to us
5 their tendency is we preserve the house and build around it.

6 We did solve the immediate crisis. I think we got
7 the banks to kind of slow down. We got the seller to not
8 sell off some of the valuable property. But, you know,
9 unless any of you are prepared to do or propose anything
10 differently, I think the only thing we can do is to offer
11 our assistance to the project.

12 Yes, no, maybe?

13 SECRETARY MOORE: I agree with you.

14 CHAIRMAN McCUSKER: Okay. No action is required.

15 Now, the fun part. We have a presentation today.
16 If you guys are ready to go, from the Friends of Tucson's
17 Birthplace. Bill, thank you very much.

18 For those of you that have been around for 13
19 years, this project was identified in Proposition 400 as one
20 of the original projects that we all approved as part of Rio
21 Nuevo on the far west side of the base of A Mountain.

22 And, you know, because of some of the
23 dysfunctionality of the District over the years, a group of
24 private citizens have taken up this cause. And we've
25 invited them today to kind of refresh our memories about the

1 project and to see if there's anything we can do that would
2 help.

3 ATTENDEE: Thank you. Good afternoon, Chairman,
4 board members. On behalf of Friends of Tucson's Birthplace,
5 I would like to thank you for this time.

6 Our goal today is to give you a brief overview of
7 our good work, our vision, and hopefully a working
8 relationship with the Rio Nuevo board towards the completion
9 of the 4200-year-old Mission Garden, and attraction in the
10 Tucson Origins Heritage Park found in Prop 400, approved by
11 the voters in 1999.

12 Friend of Tucson's Birthplace is a nonprofit --

13 CHAIRMAN McCUSKER: Do you need to catch up to
14 your presentation?

15 ATTENDEE: No.

16 ATTENDEE: -- is a 501(c)(3) organization founded
17 almost three years ago by a group of concerned Tucson
18 residents. Board members include myself, Bill DuPont,
19 former chair; Roger Pfeuffer, present chair; Katya Peterson,
20 our co-chair; Diana Hadley, our historian; Raul Ramirez, our
21 historian on Kino; and Phil Hall, who is enjoying Santa Fe
22 at this time.

23 Bill O'Malley, who's there, has been retained as
24 our consultant and project manager. Bill was involved in
25 the original planning process of the Tucson Origins Heritage

1 Park. He has given so much of his time to see the
2 completion of Mission Garden.

3 Simply put, our mission is to preserve, honor,
4 protect, and promote the cultural heritage of Tucson's
5 birthplace at the foot of Sentinel Peak. With an IG in
6 place between the City of Tucson and Pima County, the
7 Friends of Tucson's Birthplace entered into an agreement
8 with them for the development, operations, and maintenance
9 of the park known as Mission Garden.

10 The agreement is for a five year duration with
11 options and a commitment from the Friend of Tucson's
12 Birthplace to raise 250,000 within the first five years.
13 With the generosity of the Tucson community, we have raised
14 over half of our stated goal.

15 We would like to acknowledge the assistance we
16 have received from the City of Tucson's historical
17 preservation officer, Jonathan Mabry; Tucson Parks and Rec
18 rep, Peg Weber; Pima County's cultural resource and historic
19 preservation officer, Linda Mayro, all who have been
20 instrumental in leveraging grants for the garden.

21 Besides the completion of the garden, the plant
22 educational elements that reflect this regional history and
23 many cultures that have thrived on this 4-acre parcel for
24 over 4,000 years are founded in documents that the Rio Nuevo
25 District owns. The Friends of Tucson's Birthplace would

1 request permission to use the following lists of documents
2 to make the site into an economic attraction for the City of
3 Tucson. They are:

4 Construction documents and other design documents
5 from Tucson Origins Heritage Park, prepared by the Burns
6 Wald-Hopkins' team; the TOHP; interpretive materials
7 prepared by Night and Day Studios; the Tucson Origins
8 Orientation film; market analysis and operation plans for
9 Tucson Origins Heritage Park, prepared by ConsultEcon.

10 Bill O'Malley will further discuss the importance
11 of these documents towards meeting the goals of Mission
12 Garden.

13 At this time, I'd like to let Roger take over and
14 do his PowerPoint presentation. Again, thank you for your
15 time and consideration.

16 ATTENDEE: We just have a little bribe.

17 These are mission figs.

18 MS. COX: We were hoping we were going to get
19 some.

20 ATTENDEE: So please pass them.

21 ATTENDEE: They've been washed.

22 ATTENDEE: What we'd like to do in the next
23 less-than-15 minutes now is give you 4,000 years of history
24 and bring you up to date with the Mission Garden. We're
25 going to go through a short -- a very short PowerPoint.

1 This has basically become our logo -- something put together
2 by a local artist Paul Mirocha -- and it shows the Spanish
3 explorers and the native peoples overlooking the Convento
4 Mission and the Mission Garden and the presidio off in the
5 background of Tucson.

6 Next?

7 This is the earliest photo that we can find
8 showing this area. The Mission Garden is down in the lower
9 left-hand corner. You can still see the Convento standing,
10 the Carrillo House is there.

11 Next?

12 This shows you -- this little trail along the
13 left-hand side of the photograph is actually Mission Road
14 right at the base of A Mountain. Look how close the Santa
15 Cruz River did come to that in the late 1800s, and the
16 trees.

17 Next?

18 This is, again, the Convento and the Carillo House
19 on a closeup in the late 1800s.

20 Next?

21 This is a picture that we took in January of 2012
22 inside the Mission Garden. And it shows the preparations
23 for the planting -- our first plantings of the heritage tree
24 orchard. All those stakes in the ground is where trees are
25 going to taken from the same place.

1 Next?

2 So in the same place in April, we do have the
3 trees planted. And from the same place in July 13th --

4 Next?

5 -- the trees are thriving under the monsoons, so
6 we haven't lost a single one. There are a 119 Kino Heritage
7 trees including: pomegranate, fig, quince, apricot, plum,
8 pear. And we're actually going to harvest our first crop of
9 pomegranates pretty soon.

10 Figs were delicious, by the way.

11 MS. COX: They are.

12 ATTENDEE: Next.

13 This is what we call our Stonehenge ramada that we
14 built to Tohono O'odham specifications. We actually had
15 some elders come up and say, yep, we did it okay. And the
16 mesquite logs were fairly significant. They are covered
17 over by ocotillo and saguaro ribs. And it's basically a
18 12-by-36 ramada, so a good-sized classroom of kids where the
19 teachers can stay under there and out of the sun and learn
20 about the garden.

21 Next?

22 This is going to be for Bill. When he comes up.
23 I do want to give you some folders. These are for you to
24 keep.

25 Bill, could you just give those out?

1 Inside you'll find some publications. One of them
2 is basically what we call a shared vision statement with
3 many of the partners. We're looking at the Santa Cruz
4 Valley Heritage Alliance. We're looking at the -- we're
5 partnering with the Arizona-Sonora Desert Museum. We're
6 partnering with the Audubon Society.

7 And you take a look at all of those organizations
8 and their visions and their mission statements, and we
9 really weave together an enormously valuable resource in
10 Southern Arizona. The Santa Cruz River Valley and the
11 prehistory and history of that valley and the impact of
12 tourism -- both cultural heritage tourism and eco-tourism,
13 not to mention the Audubon Society tourism, the bird
14 watchers who are coming to Tucson in August -- there's an
15 enormous amount of impact.

16 Can you go two slides ahead? One more.

17 This is from the -- this is recent information,
18 2010. Culture in the heritage travelers average five trips
19 per year versus four trips for nonheritage. They spend a
20 total of 994 per trip versus 611 on nonheritage travelers.
21 And -- must have timed out. Tourism accounts for an
22 enormous -- that's it -- has a \$2.3 billion impact on
23 Tucson. And we expect to be one of those, so a huge
24 economic impact about tourism.

25 And not only do we do the cultural eco-tourism,

1 but we also are going to be tapping into something which we
2 could call "faith tourism," where this is actually a part of
3 a church heritage. And we have a lot of activities in
4 Tucson that have to do with spiritual kinds of activities,
5 the Day of the Dead, Dia de San Juan, all of those basically
6 take place on the West Side too.

7 So let me tell you, this is what we've done. And
8 let me tell you -- let Bill tell you what we're going to do.

9 ATTENDEE: Thanks, Roger. As Bill DuPont
10 mentioned, I used to work for the City of Tucson as the
11 project manager for this project. I worked for the downtown
12 development office and the citizens advisory committee. So
13 I've been working on this project for six or seven years
14 now.

15 Could you go back to that slide of the two
16 buildings? Two before that.

17 This is the rendering of the Convento on the right
18 and chapel on the right, which are part of the mission
19 complex. Construction documents are actually completed for
20 the mission complex, which includes these two buildings; in
21 fact, it was permitted by the City of Tucson in 2007. But
22 the City decided not to go ahead with the mission complex at
23 that time. The estimated cost of the mission complex is
24 about 8.3 million.

25 Construction of Tucson Origins was started in

1 about 2007 with the excavation of landfill. I never
2 mentioned the landfill over there. But the reason that land
3 is vacant was because most of its landfill, so it takes
4 extensive work to make it developable. But we did work
5 where these buildings are located and the landfill was
6 excavated. In fact, there's an underground
7 heating/cooling/piping system that can be used for the
8 project.

9 The Mission Garden itself started construction in
10 2008, with the site work, the guard walls, installation and
11 the irrigation. I'm sure many of you have seen the walls
12 that are there.

13 Unfortunately, construction was stopped in 2009
14 when the project was about half complete and before any of
15 the planting had started. The original cost of Mission
16 Gardens is about 2.4 million.

17 So as Bill mentioned, last year, the Friends have
18 entered into an agreement with the City and with the County
19 to develop and operate Mission Garden.

20 First phase of planting has been completed, as
21 Roger showed. And that was completed last March. There are
22 139 plants, 119 Kino Heritage trees, and 20 grapevines.
23 That was all done by work by volunteers who were organized
24 by the Friends. Also accessible paths and pedestrian
25 bridges were built to provide accessible access to the

1 garden.

2 Phase II plantings now is the next step in
3 planting Mission Garden. And Friends have formed a plant
4 advisory committee to help select the plants that will be in
5 that area. That will include the native plant demonstration
6 area which shows how food was gathered from the desert, also
7 includes the timeline gardens that illustrate the various
8 cultivation that occurred in the 4,000-year history of the
9 site, also planting trees outside the garden to screen the
10 cars that you can see going by in the background there.

11 The remaining phases of Mission Garden include
12 completion of the timeline gardens, planting a vineyard,
13 crop fields, and constructing an interpretive ramada and
14 support building. Total cost to complete Mission Garden as
15 it was estimated a couple years ago is about 1.3 million.

16 Could you go to that site plan one?

17 Okay. Also during design of Tucson Origins
18 Heritage Park, this area, which is called Tjuk Shon, is an
19 area that does not have landfill but it does have
20 significant archaeology remains. And so that area has been
21 designated for interpreting the various cultures that have
22 existed on the site over the last 4,000 years.

23 To refresh everybody's memory about what Tucson
24 Origins it is, it literally includes the area from Mission
25 Garden all the way up to Cushing, Clearwater. Part of the

1 planning process was to organize this entire site over the
2 landfill, over the archaeology, there was significant
3 utilities here.

4 And the alignment of the bridge was actually set
5 based on the location of the plaza. This would be the
6 streetcar stop for the Modern Streetcar. This is Gaston's
7 development area from here up to Congress. The Mercado
8 District is over here, and this is Barrio Sin Nombre which
9 has now been renamed Barrio San Augustin.

10 Mission Garden itself is right here, approximately
11 4-acres. This is the mission complex. The plans for these
12 are completed, both were permitted. This permit is still
13 active and that's the one we're still working under. The
14 mission completion, as I mentioned, was permitted. Work
15 hasn't started on that yet.

16 This is the cultural plaza, which included
17 provision for 400 underground parking spaces. You've all
18 heard of the hole in the ground. There was a very valid
19 purpose for that hole over there. We had to excavate the
20 landfill below the buildings, and so it was a good solution
21 on the parking for those parcels.

22 The remaining areas are open for development. At
23 this time, the planning was done, museums were planning to
24 go over there. But really, all of this planning work has
25 developed a plan for the roadways, the parking, the

1 utilities, and really, as you mentioned, has made an
2 investment on the West Side to allow further development.

3 CHAIRMAN McCUSKER: What's south there, below --

4 ATTENDEE: Pardon?

5 SECRETARY MOORE: South, below Mission Gardens?

6 ATTENDEE: This is the Carrillo House.

7 CHAIRMAN McCUSKER: Keep going, Scott.

8 ATTENDEE: This is called the Sonoran Desert Park,
9 not part of Tucson Origins, but the City Parks Department
10 has long-term plans for developing that as a desert park.

11 CHAIRMAN McCUSKER: He said that Parks and Rec has
12 some sort of plan.

13 MR. SHEAFE: It can be used for a lot of things.

14 ATTENDEE: That is all landfill too. So that's
15 landfill all -- pretty much, all the way down to 22nd.

16 MS. COX: Bill, the two parcels you say are open
17 for development to the right and the left, what is the
18 approximate size of those parcels?

19 ATTENDEE: Yeah. These are about 4 acres so --

20 MR. SHEAFE: That is the University Science Center
21 site. I mean, that's how we always talked about it. That
22 is about six and a half acres on the East Side. And on the
23 West Side, you've got two museums, the Museum of Natural
24 History and the archaeological museum would be on the West
25 Side. So you'd have three museums feeding onto that plaza

1 in the ultimate playout of this thing, if it goes the way it
2 was originally designed.

3 CHAIRMAN McCUSKER: Which means the museums are
4 invisible.

5 MR. SHEAFE: You can't see them now?

6 ATTENDEE: This area is called the festival area.
7 It was planned and documented as a large outdoor area for
8 events like Dia de San Juan and so on, other large West Side
9 events held there.

10 CHAIRMAN McCUSKER: Can you identify the land
11 ownership of all that for us? Is that is all City of
12 Tucson, or is there County or other jurisdictions?

13 ATTENDEE: Mission Garden is owned by Pima County.

14 CHAIRMAN McCUSKER: It was originally owned by the
15 District at some point.

16 ATTENDEE: No. It was developed as a -- a
17 homeowner, I think, Diana, didn't they give it to the
18 University?

19 ATTENDEE: No. It was purchased from the
20 individuals who inherited from Mrs. Dobkins, who lived there
21 for many years. The interesting thing about that site is it
22 never had any landfill on it and all of the archaeology
23 underneath it was completely intact. But it was in private
24 hands until it was sold to Pima County, and I think that was
25 in 2003.

1 ATTENDEE: So that's Tucson Origins. The Friends
2 are working diligently. The ramadas are still under
3 construction. We'll be out there tomorrow morning and
4 Saturday morning. If any of you are looking for a good
5 workout and want some experience with historic building
6 methods, stop out and say hello.

7 CHAIRMAN McCUSKER: Now was the plan for these to
8 become ticketed tourist attractions, or what was the final
9 for both the Mission and the Convento and the -- were they
10 going to be free to the public, or ticketed to the public?
11 What was the original thing?

12 ATTENDEE: Well, there was a lot of discussion.
13 The planners and most of the City thought that the mission
14 complex and Mission Garden would be ticketed. There would
15 be a fee for that. It may be waived for Tucson residents.

16 There were projections -- one of the things we
17 mentioned were some operational studies that had
18 projected that there would be over 300,000 visitors to just
19 the mission and Mission Garden, not including these other
20 areas, on a yearly basis. So there would be a substantial
21 number of visitors to the area.

22 CHAIRMAN McCUSKER: Where would they park?

23 ATTENDEE: Well, that -- the underground parking
24 here. And there's also accommodation for buses coming
25 through here, school buses, tour buses and so on, which will

1 park offsite. And the Modern Streetcar stops right there.
2 So that's very convenient for people to access the site.

3 CHAIRMAN McCUSKER: And tell us again the
4 economics, just the Mission Gardens was a million dollars
5 and change?

6 ATTENDEE: 1.3 to complete.

7 CHAIRMAN McCUSKER: And you're trying to raise a
8 quarter of a million?

9 ATTENDEE: A quarter of a million more, yeah.

10 CHAIRMAN McCUSKER: What would it take for you to
11 get that project, just the Mission Gardens, to the point
12 where you were proud of it?

13 ATTENDEE: We're already proud of it.

14 CHAIRMAN McCUSKER: Bad choice of words. You
15 would be finished with the project?

16 ATTENDEE: Well, if -- the two hundred fifty to
17 three hundred fifty thousand dollars, you could take that
18 into account, would be another million dollars. And the
19 biggest chunk of that would be the interpretive ramada and
20 support village. That would be about half of that amount.

21 The rest of it would be for the remaining
22 utilities. We're operating now on solar power and limited
23 water supply, no electricity. So there's still quite a bit
24 of utility work.

25 CHAIRMAN McCUSKER: And what's your sense about

1 why that project was scuttled?

2 ATTENDEE: Well, this was at the time where the
3 legislature wanted to focus on a motel and convention
4 center. And so, the project is shut down.

5 CHAIRMAN McCUSKER: Any questions?

6 MS. COX: This was when? 2007, you said?

7 ATTENDEE: It stopped construction in 2009. It
8 was late 2008 it started, and stopped in the early 2009, I
9 believe it was.

10 MR. SHEAFE: Could you elaborate on the agreement
11 from the City and County to operate it once it's built?

12 ATTENDEE: Yeah. Roger could help with that too.
13 It's a development and operation agreement for Mission
14 Garden. It's a three-party agreement with the Friends, the
15 City, and County.

16 ATTENDEE: There was a -- Bill mentioned that
17 there was a commitment in the agreement to raise a certain
18 amount of money over a five-year period. It was actually
19 \$350,000 that we agreed to raise over a five-year period.
20 And so we have raised over half of that in over a year and a
21 half. So we're on track to get that done.

22 ATTENDEE: The agreement basically gives us the
23 authority to develop and operate the Mission Garden. We
24 operate through both a County office and a City office
25 getting approval for any changes in the plans, any

1 alterations to the plans that -- and that's why we're trying
2 to stick to the plans themselves, so we don't have to go
3 through any change orders.

4 We go out to bid for contracts. We get the best
5 deal that we think we can get. So we just don't have
6 somebody in our pocket to do the work.

7 We have also agreed not to dig any further than
8 18 inches below the surface of the soil, which is the
9 tillable land of the garden. That preserves the archeology.
10 The tree roots can go down into it, but don't dig further
11 than the 18. If we do plan on dig any further, we have an
12 archaeologist on site to make sure that we're not disturbing
13 anything.

14 This is a very carefully -- historically
15 reconstructed garden. People keep asking me, well, can we
16 come and plant some of our -- you know, is this a community
17 garden? No. This is an educational historical park,
18 basically, where people can come to get educated and
19 participate in some of the activities of harvesting.

20 There's another part of the business plan. What
21 do we do with the crops? We have an enormous amount of
22 fruit trees. We're going to have an enormous amount of
23 fruit. And so we've been talking with the community food
24 bank. We probably will be operating something like a
25 farmers market, so people will have a bunch of different

1 experiences.

2 Much as Jeff Hill contacted me about, I don't
3 know, six months ago, we had 150 Boy Scouts hiking the
4 Deonza Trail (phonetic). The Deonza Trail goes right by the
5 garden, so we had them in and gave them a little education
6 about what's happening.

7 CHAIRMAN McCUSKER: Has anyone ever talked to the
8 Department of Interior or State about this being a state
9 park or a national park?

10 ATTENDEE: Not yet. But we have visited
11 Tumacacori, obviously, and we've kind of learned some
12 lessons from them. They have some wonderful signage. They
13 have some wonderful displays. It would be interesting, as
14 we develop this and as more and more people become
15 interested, I think that's a distinct possibility. But
16 right now, we're a county park.

17 MR. SHEAFE: Do you envision the Mission Gardens
18 in operation before anything else really starts; and if so,
19 will it stand alone in its ability to become an interactive
20 center that doesn't become a negative financially for the
21 City or the County, or whoever is involved in trying to
22 support it?

23 ATTENDEE: That is part of the agreement, that the
24 City and the County do not incur any expenses as a result of
25 the development of this garden. But I think your question

1 is an excellent one because we don't see the Mission Garden
2 as a be all and end all. We see it as, basically, an
3 integral part of the Tucson Origins Heritage Park. But it
4 is not -- it is not intended, nor should it be intended to
5 be a standalone. I think it needs to be -- it needs to have
6 that cultural and historical context.

7 ATTENDEE: What I wanted to add was that we have
8 this program for stewardship of the Kino Heritage fruit
9 trees. And it's interesting that this is living history
10 that is not available in other areas of this country.

11 Just the information that we received that -- from
12 the archaeological excavations that were conducted in the
13 past ten years on this site, that this is the longest
14 continually farmed area in the entire United States. This
15 is something that we should be promoting as a City and a
16 county and a state. And this is a cultural heritage tourism
17 attraction that is really significant.

18 This is going be the only place, this is going to
19 be a living agricultural museum. And you can walk in, and
20 you can literally eat the same piece of fruit that Father
21 Kino ate 400 years ago because these trees have been --
22 we've searched all over Sonora, and these trees have been
23 passed down in families. They're hard to find, but it's a
24 very, very exciting prospect to be able to do this kind of
25 historical investigation.

1 So one of the things that we've done -- and I
2 think that this really ties in for newcomers coming to our
3 community -- we have heritage -- we have these heritage
4 trees being stewarded, and we're going to honor historic
5 families in Tucson. And many of the old families of Tucson
6 have already purchased stewardship of one of the trees.

7 And for any of you, if there are any historic
8 families or anybody who wants to become a steward, we invite
9 your stewardship.

10 But we're ahead of schedule on fundraising. And
11 this has been an incredibly popular project that has
12 generated a huge amount of interest. And I think that as
13 the first step in the development of Tucson Origins Park,
14 it's very good for the community.

15 MR. SHEAFE: Do you have a specific request for
16 the District?

17 ATTENDEE: Be interested in us right now.

18 ATTENDEE: Help us.

19 ATTENDEE: Just take a ticket. Become aware of
20 what we're doing. Visit us. Come and see us. But I think
21 Bill DuPont has a specific thing about request for some of
22 the --

23 CHAIRMAN McCUSKER: Michele, I think we found much
24 of this.

25 MS. BETTINI: A couple. Some of it.

1 CHAIRMAN McCUSKER: Maybe some of -- I have no
2 idea where the movie is. Anybody know where the million
3 dollar movie went?

4 MR. COLLINS: Mr. Chair, I believe that a lot of
5 that movie is sitting in my office. I have a large box of
6 things that I'm told is that movie.

7 ATTENDEE: Do you have any popcorn?

8 CHAIRMAN McCUSKER: So we're happy to share those;
9 we've just got to find them.

10 ATTENDEE: That's great.

11 Two things if I could. There's a tremendous
12 investment in the Gutierrez Bridge and that's going to --
13 between Congress and the Gutierrez Bridge, that's going to
14 spur development. The bridge -- the mission on the south
15 is -- when completed, is going to spur some real interest in
16 development between the bridge and there.

17 So I see that as -- if you want to call it
18 leapfrog development, you can, but it's -- I think it's a
19 real, real impetus for development on a West Side of the --
20 of Cushing Street.

21 MS. COX: Roger, what -- tell me what -- I'm
22 sorry. I don't know what Gutierrez bridge is.

23 ATTENDEE: That's the Cushing Street Bridge.

24 And the last thing I have to say is, our next
25 fundraiser is August 26th, at the Mercado it's a breakfast.

1 ATTENDEE: Tucson's birthday.

2 ATTENDEE: Tucson's birthday. We are an Arizona
3 Legacy project. We've got that awarded by the Legacy
4 Commission. So we're going to celebrate the birthday by
5 having a breakfast in the Mercado and tours of the gardens.
6 If you're interested in getting up early on a Sunday morning
7 and coming out and having breakfast with us, we'd love to
8 see you.

9 MR. SHEAFE: You've raised about 175,000 in
10 private donations?

11 ATTENDEE: And grants.

12 MR. SHEAFE: And grants. And how much of that is
13 coming from individuals?

14 ATTENDEE: About a third.

15 MR. SHEAFE: About a third from individuals and
16 about -- so 60, plus or minus, from individuals and the
17 other 120 from grants.

18 Are those City and County grants or are those
19 federal grants?

20 ATTENDEE: No. They're -- we haven't received any
21 federal grants yet. They've been from private funding
22 organizations. And we're going to be expanding that whole
23 process of fundraising with granting organizations.

24 So one of the things that we're really anxious to
25 assure is that the -- since this is such a unique project in

1 the entire nation, it would be a shame if inappropriate
2 construction occurred that blocked views of the area that is
3 historic or that created problems for promoting the tourism
4 in the area.

5 MR. RITCHIE: What would you consider
6 inappropriate?

7 ATTENDEE: Wal-Mart. Another Safeway. You know,
8 something -- this project has the opportunity to really
9 benefit certain types of businesses. And it also could be
10 damaged by having the context for the historic beauty of the
11 area removed.

12 MR. SHEAFE: You have the Gary Dickson's concept
13 of the Mercado and what's going on on the north side of
14 Cushing?

15 ATTENDEE: Right, right.

16 MR. SHEAFE: And then if the complex of the
17 museums is ever able to be located on the south side, then
18 you have the complex. And right on the other side of that
19 is a possibility of use, one of them that's being discussed
20 right now is the velodrome, which would be an enormously
21 effective thing for the people who are cycling enthusiasts,
22 and it happens to be a huge economic generator. Is that a
23 concern of yours?

24 ATTENDEE: I don't think we've talked about that
25 yet.

1 ATTENDEE: We certainly heard when that came to
2 the public attention. It certainly would bother us if it
3 were there instead of Tucson Origins Heritage Park.

4 MR. SHEAFE: The complex we call the arena
5 property, it's that white property to the south.

6 ATTENDEE: That's the one to the south. We're
7 hoping -- that is all open space right now. Part of the
8 historical context of this area has to do with equestrian
9 history too. So we're interested in something being there
10 developed that would tie into the historical. The velodrome
11 is a modern thing. But, again, we are not anti --

12 MR. SHEAFE: The reason I mentioned that, and I
13 know Stephen Martelson [phonetic]. You might want to get in
14 touch with him. If you want his number, I'll give it to
15 you. You might have some coordinating strategic opportunity
16 here.

17 Fletcher raised the issue about parking and that
18 will provide some additional parking. It's going to be a
19 long time before the subterranean parking is built. And
20 whatever you do there, you're going to need that aspect of
21 those improvements.

22 It also brings a lot of attention. And the nice
23 thing about a velodrome -- and I'm not trying to sell it --
24 but we are now the bicycling capital of the country. And so
25 it make sense that we'll put one somewhere. And it is

1 tremendous attractor to you. It also is a great tourist
2 attractor, and it brings an enormous number of people to an
3 area as evidenced by the experience that San Diego has with
4 their velodrome. And so it's -- and they are not
5 particularly intrusive because they're open-air. It's not a
6 huge great big arena. So just -- it probably could be a
7 good idea to have you communicate.

8 ATTENDEE: The land fill starts here and it goes
9 all the way down south to 22nd Street, Starr Pass.

10 ATTENDEE: Chris, you asked a question earlier:
11 Is there anything we would ask of you. We would ask to be
12 as involved in possible in what kinds of plans are being
13 made so that we can know what is happening in that area and
14 maybe make some suggestions about just what Diane was
15 talking about, about making development conducive to and
16 even enhance the historical area.

17 ATTENDEE: Interactive.

18 MR. SHEAFE: Well, that's what I'm trying to
19 encourage here. And I will tell you, having watched this
20 whole process now since, really, my first days -- not long
21 after the bonds were originally passed, at least the
22 authorization for the TIF -- I remember thinking to myself,
23 it probably is nothing tougher than trying to get a Mission
24 Gardens underway.

25 Because it was tough to describe it, let alone to

1 get people to invest in. And I've been intrigued with how
2 much progress you've made. And I know, Roger, I've know you
3 for years and that is no light amount of effort. You guys
4 have really gone over a money field of opposition and
5 banding this thing together.

6 ATTENDEE: And it's been fun.

7 MR. SHEAFE: I'm glad you're having fun.

8 ATTENDEE: Thank you very much.

9 CHAIRMAN McCUSKER: Thank you.

10 ATTENDEE: Thanks for the time. Appreciate it.
11 There are public documents available on what we just went
12 over too.

13 CHAIRMAN McCUSKER: We do need to talk to our
14 lawyers in executive session. But rather than have you
15 suffer through that, we'll go ahead and do call to the
16 audience. If you haven't signed up or have been compelled
17 to sign up based on any new controversies we've created,
18 please, you can still do that.

19 So without any objection from the board, we'll
20 press on.

21 Keith. Still here?

22 ATTENDEE: While I'm changing tapes.

23 CHAIRMAN McCUSKER: We'll come back to you.

24 MR. RITCHIE: Mr. Chairman?

25 CHAIRMAN McCUSKER: Sir.

1 MR. RITCHIE: Can I just make a quick comment. I
2 mean, Chris' comment about development was concept only.
3 It's nothing that we've all talked about. But I understand
4 where he's going about sports. But I just want to make sure
5 because I saw a few people kind of raise their eyebrows.
6 And I've learned in this whole process, the cart moves
7 before the horse, oftentimes. So I just want to make that
8 one comment.

9 CHAIRMAN McCUSKER: I think in my two months, I've
10 heard numerous conversations from people who see that
11 property as available for a variety of development
12 activities, whether it's sports or commercial or retail or
13 volleyball, softball, soccer. I mean, I've heard lots of
14 people with different ideas.

15 So what's interesting to me about that, that is in
16 the Rio Nuevo -- am I correct? -- but it seems to be owned
17 by the City and the County. So it's another situation
18 where, you know, you're going to have to figure it out.

19 So Keith, I'll come back to you.

20 Mike Holmes?

21 ATTENDEE: Mr. Chairman, honorable board members,
22 I'm Mike Holmes. I'm the strategic planner of Imagine
23 Greater Tucson. And thank you for the opportunity to speak.

24 I wanted to make you all aware of some of the
25 survey data that we've received over the past couple of

1 years that may help impact some of the decisions that you're
2 making now and will make in the future. It is not our place
3 to really pass judgment on any specific projects that an
4 entity within the County is doing. We prefer to stay at the
5 30,000-foot level and talk about priorities and large scale
6 thoughts on the way plans go.

7 But what you may not know is that over the past
8 three, four years, we've engaged the community. And we've
9 spoken and engaged with over 10,000 residents throughout the
10 county, so not Tucson-specific, everywhere from Sells to
11 Vail to Marana and south to Green Valley and beyond. And
12 what they've told us, the first set of data we got, they
13 gave us a set of 66 shared values the people of this region
14 hold dear when it comes to the space in which we live. And
15 we boiled those down to nine principles.

16 The second outreach we've made -- and this was
17 this past winter -- was using those shared values as a prism
18 through which to view how we develop and move forward, we
19 asked them how -- what sort of places they wanted to live
20 in. And we came up with four sets of options that came out
21 of that survey.

22 And what I'll tell you is that two-thirds of the
23 respondents, this is over 6,700 people on the survey alone,
24 two-thirds of the respondents across the county said they
25 wanted vibrant downtowns, walkable city centers, and places

1 where it wasn't just a place to work; where they didn't roll
2 up the streets at five o'clock, that people lived there and
3 played there as well.

4 As you look at what your options are with the
5 Manning House and other properties, I just want you to think
6 of the fact that you've got a lot of people across this
7 county that support the intent of, I think, what you're
8 trying to accomplish.

9 And of those additional values, other than just
10 economic development and vibrant downtowns, you also to have
11 to consider that we loved our cultural uniqueness. And the
12 Manning House and properties -- in fact, what we just heard
13 about here -- certainly, apply to that. They are the things
14 that make Tucson unique and individual.

15 And on top of that, historic preservation, another
16 shared value across this region.

17 So without commenting specifically on what you're
18 planning to do, what I can say is that what you seem to be
19 moving towards is right in line with we've heard from the
20 people of this county. So having said that, thank you very
21 much. I appreciate your time. And I certainly appreciate
22 your efforts moving forward.

23 CHAIRMAN McCUSKER: Ingrid?

24 ATTENDEE: My name is Ingrid Saber. I'm the
25 treasurer of the Pima Association of Taxpayers. And

1 earlier, Item No. 5 in the agenda, you spoke about
2 recruiting the CFO.

3 For the benefit of those people who weren't here
4 at the time, did you say that there would be -- that you
5 would cut off the application date on the 25th, yesterday,
6 and that you -- when you get down to four or five people,
7 the board will make the selection; is that it?

8 MS. COX: That's correct.

9 ATTENDEE: Okay. When you decided that you needed
10 a CFO, I -- we heard a figure of \$150,000 per year salary;
11 is that correct?

12 CHAIRMAN McCUSKER: We can't debate or discuss
13 this with you. So you can make comments.

14 ATTENDEE: Okay.

15 CHAIRMAN McCUSKER: And we can clarify them at the
16 end of the session. But the open-meeting laws don't -- it's
17 not like a legislative hearing where we can kind of go
18 back-and-forth.

19 ATTENDEE: Okay. All right. I see what I should
20 do, then.

21 If I were doing this, I would give people the
22 opportunity, after they see what kind of work is required of
23 them, to present their qualifications, and then to bid on a
24 salary and say, I would like to be compensated at \$75,000 a
25 year, or whatever, and hoping that that occurred to you when

1 you were presenting or proposing this position, the taxpayer
2 really doesn't like to hear that somebody may be getting
3 \$150,000 a year to do -- to look at the -- to watch the
4 finances of the -- of your District's board.

5 There's -- the money that is put in your hands,
6 it's put in there rather easily when you think about it.
7 And it's not yours; it's not ours individually. And we have
8 to -- we have to treasure it. We have to treasure the
9 public's treasury. We have to be very, very careful.

10 And we've gotten so used to hearing large sums of
11 money. And the salaries now are so large, they have nothing
12 to do with the private sector where there's competition.
13 Now the money just falls into our hands and we spend it so
14 easily. There should be more consideration as to where it's
15 coming from, why you're getting it, and when it comes to --
16 and this is a good example -- hiring a CFO, get used to
17 hearing bids and operate that way.

18 And I'll leave it at that. And good luck with
19 your executive session.

20 CHAIRMAN McCUSKER: Allen Willenbrock?

21 ATTENDEE: Chairman and honored members, good to
22 see many of you again. As you may know, I was honored to
23 have Governor Brewer appoint me to the board a few years
24 back, and the board elected me treasure at that time. And
25 it was a very exciting time in my life. So I know, more

1 than most, the sacrifice that you made to work and family
2 and sanity at times. So thank you for your service.

3 I'm here for a couple of reasons. As you know,
4 you're looking for a chief financial officer. I would like
5 to recommend one of the individuals who has applied. His
6 name is Bernie Weigandt. And I have submitted, in writing,
7 a recommendation to that effect.

8 And in my opinion, Bernie's background is perfect
9 for what you're looking for. I've also pledged to Bernie
10 that I would share any knowledge that I have that might
11 assist him in making him more productive. I also have two
12 rather large boxes of financial records that he's foaming at
13 the mouth to get his hands on so he can get up to speed if
14 he's given that opportunity.

15 Another item, I'm going to echo a lot of things
16 that you've said about Fletcher. I with him a month or so
17 ago, and it just seems like he's grabbed the bull by the
18 horns. I made a number of suggestions at the meeting, which
19 included -- I showed him a debt service schedule that I
20 don't think he had seen before. I showed him a listing of
21 month-by-month TIF from the Arizona Treasurer's Office. And
22 we also discussed the vendor compliance on the TIF
23 reporting. And all of those things, he's grabbed the bull
24 by the horns and run with all those things, so I'm very
25 excited about that.

1 Contrast that perhaps to the issue of continuing
2 disclosure related to your municipal bond offerings over the
3 last couple of years. You know, when you issue municipal
4 bonds you have a duty to disclose, to the regulator,
5 material events, such as a financial audit and other events,
6 just part of good, ongoing disclosure.

7 I brought that to the attention to various board
8 members as well as the auditors over the last couple of
9 years, and I don't believe any action has been taken on
10 that, although Fletcher was aware of the need for that to be
11 done.

12 Some of the projects that I have completed, prior
13 to my service and during and after, that I'm welcome to
14 share with Mr. Weigandt if he's selected:

15 The continuing disclosure. I've prepared a draft
16 disclosure that I'll provide to Mr. Weigandt. Ultimately
17 it's his decision on what to disclose, but I got a little
18 head start there.

19 The performance audit that was done a year and a
20 half ago or so. The auditors at that time had suggested
21 that the initial loan from the City to the District, the
22 City may have overcharged you with interest in the
23 neighborhood of \$400,000. Well, I was intrigued by that and
24 went back and downloaded some interest rates from the
25 Federal Reserve Board and figured out the cash flows. And

1 on my spreadsheet I think the overcharging is closer to
2 1.7 million. And I have spreadsheets that will show that if
3 the CFO would find that useful at the time.

4 The -- you have monthly -- your debt service, the
5 TIF revenue goes -- flows to the -- to the bond trustee.
6 And there's a formula, month-by-month, exactly to the penny
7 how much they want of that TIF revenue. And I've got a nice
8 little spreadsheet that has that month-by-month.

9 I have a list of some of the income producing
10 properties you have. Someone's got to make sure you collect
11 that income. I suspect some of that has fallen through the
12 cracks. Some of the property taxes and other debts that you
13 owe have fallen through the cracks, so once again, thank you
14 very much for your service. I know a little bit of what
15 it's like. Thank you.

16 CHAIRMAN McCUSKER: Thank you.

17 Josefina?

18 ATTENDEE: Cardenas. I do have a last name. It's
19 Cardenas.

20 CHAIRMAN McCUSKER: I'm sorry. You've become so
21 familiar to me.

22 ATTENDEE: I like what you said, that to hold the
23 City accountable. But I think we need to also hold each
24 other accountable, all of us in one community accountable.

25 And if I can request, I am familiar with two maps

1 in the office of Rio Nuevo, about the District of Rio Nuevo
2 and how it extends. How about having it out here so we can
3 see it and we can see where we all live and how this Rio
4 Nuevo can all impact us? Can those maps be moved? I leave
5 it to you.

6 And I'm imagining how there needs to be a balance.
7 I know there's business and developers and very intelligent
8 professional men, but we also have to think about the
9 grassroot, the barrio, and the families.

10 And it's taking, for Rio Nuevo -- I could say a
11 million and one years because that's the way it's been
12 feeling, you know? I just saw a child in the audience -- I
13 don't know if you noticed him -- step out. And I remembered
14 about our children. They were here, and now it's our
15 grandchildren. And where are we now with Rio Nuevo?

16 And I keep on working because I have a grandchild
17 now. And my children haven't seen what they wanted to see
18 yet, but I want my grandchild to see.

19 I have this information for you, because in --
20 it's been in '94 and '95 that we have been involved -- and
21 maybe even before that. And it was a notice that was sent
22 out: Dream of a dun [phonetic]. Can you imagine? All that
23 area below A Mountain, the birthplace of Tucson, and we
24 called it, at that time, Dream of a dun [phonetic].

25 You have received the letters that I've sent,

1 Michele? Thank you, Michele.

2 I sent the letters and the resolution from
3 San Xavier that you requested that I leave. So
4 Señor Fletcher, what does it take for Rancho -- to be --
5 Rancho Tjuk Shon to be invited to come also?

6 CHAIRMAN McCUSKER: You're on the agenda in
7 August.

8 ATTENDEE: Gracias.

9 Also I had another letter for you where -- that he
10 may rest in peace -- Father Charles Paulson. And he writes
11 clearly how Rancho Tjuk Shon is a partnership. They can
12 relate with Mission Gardens, the Convento, and what we just
13 saw. And the equestrian, because in Rancho Tjuk Shon it's
14 been deemed that there be a lienso charro.

15 And when you speak about the arena, I say, why are
16 you think so big, so much dinero, when we can bring our men
17 and with lienso and they're hard workers. Maybe we don't
18 have a million, but we work. And that lienso will bring in
19 monies because the Native American community also wanted to
20 use it as their powwow grounds.

21 And you have mentioned, Señor Mark -- well, Mark,
22 we have a Native American community. So Chairman Nunez is
23 waiting your response of when he will be invited because
24 he's starting to invite us. With this film, there has to be
25 a spiritual component.

1 I have this research done from Mr. Daniel Preston.
2 And he has passed away from quite some years ago. And he
3 says, what happens when a burial ground is disturbed is that
4 no growth will ever occur. And it makes me think, Señor
5 Cody, because we can have all the money, all our
6 intelligence, you know, if we don't think about the
7 spiritual significance of this land, what are we doing?

8 And he continues by saying, for example, here in
9 Rio Nuevo in the bottom basin, no growth has occurred
10 because of ancestors being disturbed. Think about it.

11 Chairman Nunez, in the middle of August, is
12 wanting to invite us with a medicine man to this -- to this
13 hut. And you have seen what happened already with the City,
14 and I pray, that with the second chance, we won't make that
15 same mistake again.

16 Gracias.

17 CHAIRMAN McCUSKER: Thank you.

18 Keith, you ready to go? Keith VanHeyningen?

19 ATTENDEE: Hello. My name is Keith VanHeyningen,
20 and I'm a Tucson resident. And I'm glad there are no more
21 children in the room.

22 MS. COX: There are.

23 ATTENDEE: There is. Oh, okay. I'm modifying
24 right now.

25 Okay. I've got this 1983 Suzuki turbo sitting in

1 my garage, and I got a few bills to pay. But I don't want
2 to pay my bills. Do you guys mind buying me a new Honda
3 Gold Wing?

4 That's how I feel about Rio Nuevo. You're
5 stealing from everybody to build a pipe dream.

6 Now, I didn't get here until 1998. I was in the
7 construction trades. And even back then, we're saying,
8 darn, there's too many people from California coming here.
9 It's going to end up like California. Sure enough, a lot of
10 it has. A lot of the dreams. A lot of the spending. A lot
11 of the non-accountability.

12 On that note, let's see, I saw a City
13 representative here. Hmm. She left. Well, I was going to
14 ask for a jet from them.

15 That's the quantitative difference on the
16 responsibility, what's going wrong.

17 The biggest problem is trust, transparency, being
18 able to put together a solid plan. Before you get moving on
19 that plan, yeah, you need to talk to the taxpayers, because
20 I talk to a lot of people. And I don't find many that are
21 happy, very many that understand why it seems it's going to
22 take another ten years to accomplish something. A lot of us
23 have gotten a lot of gray hairs over this. Some of you are
24 sitting in front of me.

25 It comes down to trust. It comes down to the

1 City. And, yeah, in a lot of ways, scaling back. The
2 Mission Gardens, yeah, go ahead. Do it, finish it. TCC,
3 finish it.

4 But I see absolutely no need for the City to be
5 involved in a hotel. We have enough hotels. That's private
6 business. Other than that, it's a nightmare I'd like to
7 wake up from.

8 Have a good one.

9 CHAIRMAN McCUSKER: And our final card is from
10 Richard Basye. Did I pronounce that correctly?

11 ATTENDEE: Yes, you did.

12 I'm Dick Basye. I'm the president of the Pima
13 Association of Taxpayers. I have a number of issues, but
14 the one I want to bring to you now is I would request that
15 you refer to me an individual or an attorney of yours to go
16 over evidence of public malfeasance.

17 What it involves came to our attention after the
18 Crowe Horwath analysis that was done of Rio Nuevo in which
19 they identified the money involved in this public
20 malfeasance with Rio Nuevo money. And it involved the I-10
21 Deck Park lowering study. According to a newspaper
22 reporter, it was a scam. It was a study designed to fail.

23 And that was corroborated by a former mayor of the
24 City of Tucson. And when talking to an attorney with the
25 State Attorney General's office, he said, yes, the public

1 money was used for the purpose of deceiving the public.

2 That's public malfeasance. That's enough, I
3 think, for someone here to at least refer me to somebody to
4 go over this evidence -- I even have it right here -- and
5 see if it's true and act upon it. That's all I need.

6 Thanks.

7 CHAIRMAN McCUSKER: Thank you, everyone. We
8 appreciate, as usual, your comments and concerns.

9 On a specific request like that where you believe
10 you might -- Mr. Collins is our counselor. He's sitting
11 right here, the suit in front. So he's the lawyer, and you
12 can leave that with him. Mark will give you a card and a
13 way to contact him.

14 And I think if someone will move to executive
15 session, we'll...

16 MS. COX: So moved.

17 SECRETARY MOORE: Second.

18 CHAIRMAN McCUSKER: I'll in favor, say aye.

19 (The board voted and the motion passed)

20 CHAIRMAN McCUSKER: All right. We'll do that.

21 And thank you again for all of your comments and
22 hard work.

23 (Executive session off the record)

24 (Record resumed at 4:33 p.m.)

25 (Mr. Collins notes Mr. Hill not present)

1 MR. IRVIN: Motion to adjourn.

2 MR. SHEAFE: Jodie made the motion to -- excuse
3 me, Jannie. Jannie made the motion to end the meeting. And
4 it was seconded by Alberto.

5 CHAIRMAN McCUSKER: We're adjoured.

6 (Meeting adjourned 4:34 p.m.)

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