RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

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

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

(Pledge of Allegiance)

CHAIRMAN McCUSKER: Michele, call the roll.

MS. BETTINI: Mark Irvin.

MR. IRVIN: Here.

MS. BETTINI: Fletcher McCusker.

CHAIRMAN McCUSKER: Here.

MS. BETTINI: Chris Sheafe.

MR. SHEAFE: Here.

MS. BETTINI: Jeff Hill.

MR. HILL: Here.

MS. BETTINI: Alberto Moore.

MR. MOORE: Present.

CHAIRMAN McCUSKER: Ms. Jannie Cox --

MS. BETTINI: Oh, sorry, Jannie.

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

The transcription from the August 12th meeting has been distributed. It's on line. Any requested comments, changes, edits? If not, I need a motion for approval.
(Motion made, seconded and carried unanimously)

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

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

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

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

First and foremost, we're going to talk about the
arena site RFP.

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

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

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

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

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

We've had some challenges, as you know, going
through this and, you know, we would rely on our very sophisticated counsel, who is a very well known procurement attorney who represents a number of jurisdictions, to guide us as we go through this process.

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

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

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

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

When I evaluated the two proposals, and if you look at my scoring, they're almost identical, particularly in the first round, it came down to me to basically simple
tay payer economics. Nor-Gen has offered us more money for
the project, but, moreover, I believe the Peach proposal was
flawed in the manner in which they suggested that we
construct a garage. That's a 9 million-dollar obligation
and I don't believe this board is capable of matching it.
You'll remember that our bonds have recently been
downgraded, so for us to take on that kind of responsibility
I felt created an economic disadvantage for that proposal.

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

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

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

It is essential that the integrity of the
evaluation process be maintained to ensure that each offer
is given fair and equal consideration. While your
familiarity with particular firms and/or individuals may
tend to influence your evaluation, in this specific
instance, you are required to be particularly objective and
to guard against any tendency that might slant your
evaluation in favor of a personal preference. You, me, are
required to report in writing to the procurement
representative named below any actual or potential conflict
of interest as defined in ARS Title 38, Article 8.

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

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

To emphasize the importance of the above
considerations, you are asked to sign the following
statement: I have read and understand the above and agree
to be bound by the rules and principles represented. I know
of no conflict of interest on my part nor have I committed
any indiscretion or accepted any gratuities or favors that
would compromise my impartiality. I will maintain all
deliberations of the evaluation committee in strict
confidence during the evaluation process except as otherwise
required by Arizona law. My recommendations shall be based
upon an objective subjective review of the offerers' submittals and the evaluation criteria set forth in the RFP. The instructions we received from counsel limited our judgments to what was presented to us in writing and what was presented to us in the oral presentation. You'll remember we had an incident in the TCC procurement where we had released an RFP for a video scoreboard. One of the respondents actually suggested an alternative that might have been better and cheaper. Under our procurement code, we were not allowed just to accept that alternative bidding. We actually had to terminate the process and rebid the entire offer.

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

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

If I believed personally as Chair that there was
any impropriety in the ranking, I would be the first to recommend that we terminate the process. I in fact am most interested in proceeding with this procurement.

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

MR. SCHMALTZ: Mr. Chair, my pleasure.

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

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

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

Where we are today is a vote. You have -- you have preserved and have had in front of you the option as set forth in the RFP as well as in the procurement code the action that you take at the end of the scoring process.

There's a key distinction between scoring and voting. The scoring you have all done individually based upon your review and application of the criteria set forth in the RFP to the proposals themselves and to the presentations. Each of you individually submit -- submitted those scores and the result of the combination of those scores has resulted in the final list. However, as you have agendized today, today is the day that you have before you the options that are reflected on the agenda, which is to take action related to that final list.

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

The other option that you had from the beginning and as is reflected in the RFP terms themselves very clearly
as well as in the procurement code, one of your options is to terminate the RFP. And both of those options are presented to you today as they are options that you've had from day one.

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

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

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

Say, for example, Bobby Hull is a member of the board and the evaluation committee and the RFP is issued related to a location and Bobby Hull really wants to have a hockey rink included as part of the project. But because Bobby Hull makes the determination that he's going to follow the rules of the RFP and apply the evaluation criteria in an objective but personally subjective way in terms of comparing two proposals that they received, neither of which contain the hockey arena, so he scores each of the proposals individually applying that criteria, gives them two
different types of scores. He's still not real happy with
either one because some elements of the proposals are good
and some he's not too happy with, neither of which contain
the hockey rink.

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

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

Any questions?

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

MR. SCHMALTZ: Yes, I believe so.

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

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

CHAIRMAN McCUSKER: Okay.

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

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

MR. SCHMALTZ: And just to clarify, just to make
sure, it's not the outcome of the vote, it's the outcome of
the scores. So if you want a motion, an example of a motion
that you want is to proceed with negotiation with the number
one ranked proposer, which was the Norville proposal. If
you want to add to that motion who should participate or if
you wanted just to have a clean motion that says proceed
with negotiation with the number one ranked proposer, the scores are what they are, and so I think that that's a pretty clear motion.

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

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

CHAIRMAN McCUSKER: We need a second to that.

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

CHAIRMAN McCUSKER: Mr. Moore?

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

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

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

CHAIRMAN McCUSKER: So we have a motion on the
Mr. Moore?

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

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

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

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

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

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

CHAIRMAN McCUSKER: Scoring.

MR. SHEAFE: Scoring, excuse me. It needs to be noted that it is a score, not a vote.
However, we're at a stage right now where we need to deal within the framework of those individual presentations. We cannot renegotiate the presentations with the top score winner. We are being asked to approve whether or not we're going to authorize counsel to see if a negotiation can be completed to put the assurances in place that the plan that was presented will be in fact made whole and become a reality in as short a period of time as possible.

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

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

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

I had very firm reasons for making the choices that I made. They had nothing to do with referring one
person over another. I happen to know everybody involved and, frankly, greatly admire the people involved, but my job was to make the absolute best decision I could for the community of Tucson and to try and drive the process forward so that we could get something done in Tucson, which is a rather unusual circumstance for this community.

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

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

MR. HILL: A point of order, Mr. Chairman.

That's not before us.

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

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

CHAIRMAN McCUSKER: Very good.

Anybody else want to comment on the motion?
MR. HILL: I call for the question.

CHAIRMAN McCUSKER: Call for the question.

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

CHAIRMAN McCUSKER: Explain your vote.

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

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

Michele, call the roll.

MS. BETTINI: Mark Irvin.

MR. IRVIN: No.

MS. BETTINI: Chris Sheafe.

MR. SHEAFE: Yes.

MS. BETTINI: Jeff Hill.

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

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

MS. BETTINI: Alberto Moore.

MR. MOORE: Aye.

MS. BETTINI: Fletcher McCusker.
CHAIRMAN McCUSKER: Jannie.

MS. BETTINI: Oh, sorry.

Jannie Cox.

(No oral response).

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

We lose her?

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

MS. BETTINI: Fletcher McCusker.

CHAIRMAN McCUSKER: Yes.

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

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

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

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

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

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

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

MR. IRVIN: I've got some prepared comments. I
would like to explain my vote.

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

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

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

Today I felt we could either allow for a tainted process to move forward or terminate it and start over.

Although the delay does not excite me given the time that
we've spent on this, I think the latter thing is the right thing to do.

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

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

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

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

For someone who makes transparency statements,
Mr. Moore has also showed this community how he was going to
score during his June 26th radio program last year when he
was on with John C. Scott. During that show, Mr. Moore said
that Nor-Gen was going to build a 125,000 square foot
facility to house a portion of the gem show on his property
and the other community needs. That plan was to include a
250-room hotel and a parking structure. The RFP that
Nor-Gen submitted is void of many of those objectives. It's also surprising that he included the district's parcel and still didn't include those other things.

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

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

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

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

Although I appreciate very much all that Nor-Gen has done in adding the gem show every year, their track record over the past three plus years in building a
permanent structure speaks for itself.

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

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

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

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

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

I still think we're going to have with this vote serious concerns from our community and I am very disappointed and I am happy to be the lone dissenting voter
on the five to one.

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

MR. MOORE: Mr. Chairman.

CHAIRMAN McCUSKER: One more thing, Alberto. Mr. Sheafe and I on behalf of the board would represent us in the event of any protest, so there are a number of things in there that I might otherwise choose to comment on which I will refrain from so that we don't further create any issues in the event there is a possible protesting bid, so --

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

Mr. Moore.

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

First of all, I want to apologize for any confusion or hard feelings that might have resulted from my statement of August 12th. As you can tell, this project is
very important to me and to our community. I was unaware that I was breaking any rules or violating any protocol.

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

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

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

As a native Tucsonan, it's wonderful to be at this point in the revitalization of downtown, to also be a member of the Rio Nuevo board with both ability and the power to leave behind a proud legacy of achievements and success.
This project represents the culmination of an exciting process fostered by Rio Nuevo which for all of its twists and turns and difficulties has brought the focus and a vision to downtown that is quickly taking shape. After 40 years of wandering in the wilderness, Tucson is becoming what we truly are, a wonderful place proud of its multi-cultural heritage, its history and its traditions. It's a growing, exciting place with pride and promise.

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

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

Second, this project will be Tucson's gateway, a transition point that complements our rich and fascinating past while reflecting an exciting new future. With some 11,000 years of history, the highly respected multi-cultural traditions that we honor and an exciting future ahead, this
is a wonderful opportunity to celebrate a storied past blended with today’s technology and global perspectives.

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

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

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

After careful study, I believe that the Nor-Gen project steps up to these challenges, responds beautifully to the site, its context and its purpose. It would be an exciting and appropriate gateway. It wonderfully
complements existing uses and buildings on the Norville parcel and, as an addition to what is there now, can become the true urban heart of Tucson.

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

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

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

My reasons for supporting the Nor-Gen proposal are these: Nor-Gen's concept is comprehensive and integrated, not just with surrounding uses but also with the TCC and downtown. Its influence and importance will be much broader than eight and a half acres as it will have a significant input on the entire western end of downtown as
The GJX Gem and Mineral Show is a very important annual event in Tucson and Allan Norville has been a huge supporter and facilitator. At present, the eight-and-a-half acre parcel provides parking for approximately 600 vehicles. The Nor-Gen proposal calls for a parking structure of 1,200 vehicles which, coupled with their proposal to construct a 120,000 square foot exhibition center at their expense as well as a hotel, offices, museums and public spaces, should have a very significant impact on the long-term stability and retention of the GJX show. The Nor-Gen plan provides very important support for both the attendees and the public. This project could also possibly showcase other events both in conjunction with the University of Arizona as well as other businesses.

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

As a gateway to downtown, Nor-Gen's proposal highlights what has already been accomplished while creating new impressive architecture, exciting pedestrian-friendly
public spaces, and the recreation of the historical structures and elements.

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

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

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

Thank you.

CHAIRMAN McCUSKER: Mr. Hill.

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

I once served on a board of 50 some people, an RFP board to pick a state accounting system and, when the vote came, it was 50 to one to pass the number one bid. I was the lone no vote. And I won't bore you with all the background, but where you've urged Mr. Irvin to get on board with this, I would urge that Mr. Irvin continue his
scepticism, whatever it is, as any of the board members
through this process so we get the best bang for the buck
from this board for the community.

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

Thank you, Mr. Chairman.

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

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

MR. IRVIN: So moved.

MR. MOORE: Mr. Chairman.

CHAIRMAN McCUSKER: Mr. Moore.
MR. MOORE: I'd like to be part of that committee.

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

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

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

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

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

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

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

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

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

Any other conversation as to the motion?
MR. SHEAFE: Is there any other way that we could allow Alberto to participate?

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

MS. COX: Call for the question.

CHAIRMAN McCUSKER: Michele, call the roll.

MS. BETTINI: Mark Irvin.

MR. IRVIN: Yes.

MS. BETTINI: Jannie Cox.

MS. COX: Yes.

MS. BETTINI: Chris Sheafe.

MR. SHEAFE: No.

MS. BETTINI: Jeff Hill.

MR. HILL: Aye.

MS. BETTINI: Alberto Moore.

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

CHAIRMAN McCUSKER: You've got to vote.

MR. MOORE: Yes.

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

MR. SHEAFE: Four to two.

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

And, Alberto, we'll find a way to involve you
that doesn't violate the open meeting rules somehow.

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

MS. COX: Well, I would like to take just a

moment to explain my ranking of the proposals.

CHAIRMAN McCUSKER: Go ahead.

MS. COX: Okay. I felt that both the Nor-Gen and

the Schwabe proposals were very well considered and

complete. They were very, very well done. To fulfill the

intent of either of these proposals would be a wonderful

ingood plan

thing for downtown.

The reason I ranked the Schwabe proposal higher

is that his financing was secure from the beginning to the

end. And I also favor the higher residential density. I

felt that the Nor-Gen proposal showed great vision and it

was very exciting, but for me, a sure thing and a good plan

trumps the visionary plan that seems to have so many

uncertainties.

But I also would like to say that, like my friend

Mark Irvin, I am a key player also with a level of

scepticism and I want to go forward with the hope that the

successful bidder's vision will be realized for our

community. And that's all.

CHAIRMAN McCUSKER: Jannie, thank you very much.

So Mr. Norville will be in touch and we have a

process going forward. That takes us to item seven, I
Elaine, are you ready for your TCC update?

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

CHAIRMAN McCUSKER: So the --

MR. SHEAFE: Mr. Chair --

CHAIRMAN McCUSKER: Never mind.

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

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

And welcome, Cody Ritchie, back to the festivities.

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

CHAIRMAN McCUSKER: No, you didn't miss anything, mostly the weather and --
MR. RITCHIE: I show up and everybody leaves.

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

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

MR. HILL: So moved, Mr. Chairman.

MR. IRVIN: Second.

(Motion made, seconded and carried unanimously)

CHAIRMAN McCUSKER: Now on to our westside lot.

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

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

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

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

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

MR.
MR. ESPIRITI: Yes, I am.

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

Ric.

And for our transcriptionist, name and spelling.

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

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

I'm going to have some help here.

The proposed lienzo project is the line that has -- the master plan -- in some of the later master plans provided by -- in exhibits that have been reviewed by the board as well as Rio Nuevo in regards to the location of it and how you play in redeveloping -- or developing the west side, the Santa Cruz River between Starr Pass and Congress area. Specifically, it lists -- I mean, it's on the
southern part of the area where it's presently a landfill. And the proposal obviously is to do it in a manner that would be not necessarily too elaborate in that it would be a good project for the neighbors as far as the use of it for the equestrian activities that they're very familiar with in this area.

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

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

This project -- and I really don't want to go on elaborating too much. I think the board has -- already is understanding that this is where it's going to be located. Along with this project, we have the -- we have the west side reforestation project that is a combination of effort between the city and Pima County. As it stands, the idea is to reforest the side of the Santa Cruz River along its banks from Starr Pass and up north to Congress area.

On the west side of this landfill area in
conjunction with the lienzo is for us to take and use it as a buffer between the neighborhood areas, specifically the Barrio San Augustin which is north of the Mission Gardens and west of the Tucson Origins and the San Augustin Mission, just north also of the Mission Lane.

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

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

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

The reforestation would also include the south side for the Mission Lane which would incorporate a
(inaudible) to commemorate and bring back the activities of bringing water into that area where the flour mill used to be operating some time ago on a historical basis.

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

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

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

And I think the other thing we have to discuss as a board since we're not normally a land jurisdiction is how to involve the public in this process so that they can also participate with us as you design this and ultimately seek, you know, board approval and zoning approval.
Just where do you go from here? What do you need from us?

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

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

So the processes are this. For us to determine what it would actually cost to build this, we need to know exactly within the specific site area -- I'm not talking about the whole landfill. I'm talking within five acres where this lienzo will be sitting with this seating area, some -- part of the parking for the -- for the people that
will be participating as well as the park, horse facilities and so forth, and also additionally another five acres for parking.

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

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

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

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

Thirdly, we analyzed all the issues associated with transportation, how are we going to bring the handicapped persons and the impaired persons into this site
by either public transportation or private transportation or
on their own to come into the site.

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

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

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

Go ahead. Mark Irvin has --

MR. IRVIN: Just really a question for you.
First of all, thanks for your efforts and work on this.

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

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

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

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

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

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

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

MR. IRVIN: Yeah. And --

CHAIRMAN McCUSKER: The lienzo is something that
needs little weight and could be supported. You know, that was really the intent. It was not to remediate the land at all.

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

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

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

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

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

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

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

That’s what we’re doing, by the way, on the lienzo, is going in there with -- with a company that will actually give us a very good idea as to what’s underneath there for the specific areas where I intend to assign the
pile system. And there's many engineering ways to do this
without affecting the crust much. And that's the proposal.

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

We would have to -- to answer your question, Mr. Chair, we
have to abide by the land use code, the Tucson land use code
that has been set already and dedicated to the Rio Nuevo
specifics. The land use code would allow us to do this
project, but there's a rezoning issue we have to deal with.

There's also some other conditions that need to be met per
the code.

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

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

CHAIRMAN McCUSKER: Mr. Sheafe.

MR. SHEAFE: Yeah, I have a couple of questions.
First, having had some experience with this some years ago, are you aware that all the mapping you're talking about is already done?

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

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

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

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

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

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

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

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

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

MR. IRVIN: Yes.

CHAIRMAN McCUSKER: 25,000?

MR. IRVIN: Right. Right.
CHAIRMAN McCUSKER: Yeah, so it's capped at 25,000.

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

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

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

MR. ESPIRITI: Okay. What we are doing is coming out with the project lienzo with all the facilities required for 2,500 people. And the basic budget that you typically
do for arenas like this type and so on, it has to be like 400,000 seats to be able to develop it and how -- some sort of financial plan to see whether or not it's feasible.

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

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

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

And I went through the experience of knowing a little bit about the last board and how that worked out and so forth and so on and -- and it is refreshing to see this new board taking this very careful process of making sure that every step of the way is done in a manner that is responsible and very gratifying to designers and other people that have -- have had the experience of working in Tucson.
CHAIRMAN McCUSKER: At the end of the day, Chris, we'd end up with a site plan and probably some renderings that we would have to take to the city. This is still zoned R1, so we've got to rezone it. You know, you've got to get the public to buy into the project. We have to determine its cost as any developer would. This is right now conceptual and we're prepared to spend a little money trying to get it to the point where is it even rational enough to pursue, if so, how much. And then we would then agree as a board to engage in the process which would require a rezoning on this property.

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

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

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

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

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

So I'm very pleased, frankly, with your
MR. ESPIRITI: Thank you.

MR. IRVIN: Just one last question.

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

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

CHAIRMAN McCUSKER: This whole section is going commercial --

MR. IRVIN: I realize that.

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

MR. SHEAFÉ: It might be R1 rodeo.

MR. HILL: I like it.

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

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

Thank you.

Anything else for Ric?

MR. IRVIN: No.

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

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

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

Gene and Roger, you guys can come up.

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

So, Roger, please introduce yourself and describe
MR. PFEUFFER: Thank you, Chairman McCusker.

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

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

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

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

This is a portrait of the summer garden about two weeks ago. Right now, you can't see any ground because it's
covered with vines and plants because of the rains we've got; a little bit of squash blossom coming up.

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

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

This is a summer garden again in full bloom.

Next.

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

Next.

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

Next.

This will be -- this next will be mission
cropland, basically the kinds of crops that were raised by
the missionaries with the help of the O’odham.

Next.

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

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

Okay. Next going past this --

Never mind.

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

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

We have the interpretive structure and toilets
over in that southeast corner -- southwest corner, excuse me, a couple more ramadas to build.

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

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

CHAIRMAN McCUSKER: Mr. Hill.

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

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

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

MR. COLLINS: I do.
CHAIRMAN McCUSKER: And will you tell us what we agreed to or -- my recollection is it's probably pretty vague.

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

Mr. Chairman --

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

MR. COLLINS: It does. And, Mr. Chairman, to Mr. Hill's point, if you elect and vote to proceed forward with -- with funding some or all of this, I would recommend to you that you direct the appropriate -- the preparation of an appropriate agreement so all of the issues that Mr. Hill raises and others are addressed. There have been a whole lot of contracts over the years signed with respect to this property and I would urge you to consider cleaning all that up in this process.
MR. PFEUFFER: One thing to consider -- and I understand that normally the funding for these kinds of projects are construction projects and you're constructing a building. What we're constructing is a living museum. And in order for that museum to be a complete museum, the care of those living things inside the museum have to be taken care of while it's being constructed. That was our point in terms of including these kinds of costs.

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

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

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

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

Mr. Sheafe.

MR. SHEAFE: I frankly think it's going to come down on the side, Roger, of not being able to support
operations with this funding. I've been around these
discussions a lot and it was always the intent never to put
operational costs into these budgets because at the end of
the day, if you do that, then the whatever it is becomes
dependent on that, and then you come up against the day when
they say we don't have any money, we can't continue the
process, you have to give us more money, and the whole idea
is to make these things develop out in a way that they
become self-sustaining.

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

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

CHAIRMAN McCUSKER: No need to react to that.

We're kibitzing.

MR. MOORE: Is that a motion?

CHAIRMAN McCUSKER: I didn't hear that in the
form of a motion.
MR. SHEAFE: It is a motion.

MR. MOORE: I'll second it.

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

Mr. Irvin.

MR. IRVIN: I just have a couple questions.

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

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

That is all part of the plan that was -- we're operating off of the master plan that was -- that was built -- that was designed for the garden. I think there is going to be a little bit of redesign because the esthetics of that were -- were not what our board was looking at. It was basically a modern building set in a traditional garden,
so we're looking at the possibility of looking at some of these studies, but the footprint is about 2,400 square feet.

CHAIRMAN McCUSKER: All right. So --

MR. IRVIN: One other question.

What's your guys' relationship with Native Seed?

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

MR. IRVIN: Thank you.

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

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

Mr. Moore?

MR. MOORE: Yeah, a couple of questions.

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

MR. PFEUFFER: We are --

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

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

CHAIRMAN McCUSKER: Do we still have the site plan?

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

MR. PFEUFFER: That's correct.

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

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

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

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

MR. MOORE: Yeah.

CHAIRMAN McCUSKER: Go ahead.

MR. MOORE: Well, it seems to me that I would --
what I'd like to see is that Rio Nuevo is given some credit
for putting -- obviously you don't have any parking, you
just have the four walls, so if you're going to have
parking, whatever it is, then some of those funds that are
allocated to you should be applied to the parking areas and
any of the additional improvements outside that property.
And I think that part of that million one should be applied
to -- to those needs as it takes to run your business. And
I don't see any of that being factored in here and I don't
see anything that Rio Nuevo has required. And that concerns
me because I don't want to go build more parking for you and
then it takes away from other projects, so --
CHAIRMAN McCUSKER: All right. So for the moment, we have a motion to authorize up to $300,000. My assumption is they have to be hard costs. Obviously I think the expectation is you come back with the rest of the budget identified. We'll determine if any of that can be soft costs or not between now and the next meeting.

Any further discussion?

MR. PFEUFFER: I do have a question.

CHAIRMAN McCUSKER: Go ahead.

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

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

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

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

MR. COLLINS: Thank you.

CHAIRMAN McCUSKER: All in favor say aye.
(Motion made, seconded and carried unanimously)

CHAIRMAN McCUSKER: Thank you very much.

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

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

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

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

MR. IRVIN: Is that a project you envision we
would take on by ourself? Given that that is city property, that we would engage them in that discussion?

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

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

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

MR. RITCHIE: Mr. Chairman, I would make the comment that I would be supportive of that, although I think that the people in that barrio have to be willing to work with us, too, because in the past before I got on the board, it's my recollection that representatives of the city,
especially that neighborhood, have been -- have been quite a
force in keeping us from doing what we want to do, develop,
so I think that we have to have -- there has to be some give
and take.

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

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

MR. IRVIN: I would concur with that.

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

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

CHAIRMAN McCUSKER: Measuring the sense of the
board, no action today.

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

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

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

MR. COLLINS: It was 65.

CHAIRMAN McCUSKER: 65. No changes recommended.

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

CHAIRMAN McCUSKER: I think he'd be very open.

This is a pretty standard retainer. Again, you don't pay a lobbyist on results, you pay them to participate, and so
it's really hard to -- right, Mr. Hill -- hard to put any kind of --

MR. HILL: Very true.

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

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

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

MR. HILL: New legislators.

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

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

MR. IRVIN: I'll second that.

CHAIRMAN McCUSKER: Any further discussion?

Cody, are you okay? Do you want to --

MR. RITCHIE: I'm fine.

CHAIRMAN McCUSKER: All in favor say aye.

(Motion made, seconded and carried unanimously)

CHAIRMAN McCUSKER: Okay. We are down to a call to the audience. I think we may have lost a lot of our
requested speakers, so we'll just kind of go through the
cards and, if you don't stand up and holler, you're not
here.

First up, John Schaefer.

MR. MOORE:  He left.

CHAIRMAN McCUSKER:  He left.

Lorraine Bartlett.

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

How's your back?

ATTENDEE:  It's there.

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

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

We're close to Mission Garden. Making us look nice and safe
and well lit helps Mission Gardens also look nice and well
and safe.

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

If you need any questions --

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

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

MR. RITCHIE: Just a comment.

Am I allowed to make a comment?

CHAIRMAN McCUSKER: No. Sorry.
Thank you, Lorraine. Thank you very much. We have your phone number and you'll probably hear from us.

ATTENDEE: It's on the card.

CHAIRMAN McCUSKER: Thank you very much.

Raul Ramirez.

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

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

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

At our last meeting with Menlo Park, the association took a position which Gene will address, but I would say that my position is basically, if an individual -- although I have membership in different organizations. I'm working with the president of Tucson's Birthplace, I'm working with the (inaudible). I also participated on the initiation to the completion of the Native American
(inaudible), so I've been real active in different areas in relationship to Tucson.

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

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

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

So thank you very much.

CHAIRMAN McCUSKER: Mr. Ramirez, thank you.
Gene Einfrank.

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

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

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

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

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

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

Since the inception of Rio Nuevo, the land to be
developed has been called the Sonoran Desert Park and it is located in the heart of Tucson's birthplace. It is not simply a lot to be developed. The park lies within — entirely within the boundaries of Menlo Park neighborhood and provides our neighborhood and all Tucson residents with a small remnant of precious open space within an increasingly urbanized setting.

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

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

The park will provide a nature amenity for Tucson residents important to all who are unable to venture outside
of the city to engage with our unique desert environment. The park will provide walking paths, equestrian trails, identification of our unique native vegetation, mountain bike recreation areas and facilities for picnics and gatherings with ramadas and shade.

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

Thank you very much.

CHAIRMAN McCUSKER: Gene, thank you.

And then last, Kathryn Baxla.

(No oral response)

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

Do I have a motion to adjourn?

(Motion to adjourn made, seconded and carried unanimously) (3:04 p.m.)
I, Thomas A. Woppert, certify that I took the shorthand notes in the foregoing matter; that the same was transcribed under my direction; that the preceding pages of typewritten matter are a true, accurate, and complete transcript of all the matters adduced to the best of my skill and ability.

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

________________________________________
Thomas A. Woppert, RPR
AZ CCR No. 50476