RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

BOARD MEETING
September 27, 2016
Tucson, Arizona

Reported by:  ANTHONY C. GARCIA, RDR, CR
Certified Reporter No. 50218

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APPEARANCES:

BOARD MEMBERS:

Fletcher McCusker, Chairman
Chris Sheafe
Mark Irvin
Jannie Cox (present telephonically)
Jeffrey Hill
Edmund Marquez

ALSO PRESENT:

Mark Collins, Board Counsel
Michele Bettini, Operations Administrator

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BE IT REMEMBERED that the Meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Arizona State Building, 400 West Congress Street, Suite 222, in the City of Tucson, State of Arizona, before ANTHONY C. GARCIA, RDR, CR, Certified Reporter No. 50218, on the 27th day of September 2016, commencing at the hour of 1:00 o'clock p.m.

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CHAIRMAN McCUSKER: Call this meeting to order.

Let's do the pledge, Mr. Irvin.

(Pledge of Allegiance lead by Mark Irvin.)

CHAIRMAN McCUSKER: Michelle, call the roll.

MS. BETTINI: Edmund Marquez.

MR. MARQUEZ: Here.

MS. BETTINI: Jeff Hill.

MR. HILL: Here.

MS. BETTINI: Chris Sheafe.

MR. SHEAFE: Here.

MS. BETTINI: Fletcher McCusker.

CHAIRMAN McCUSKER: Here.

MS. BETTINI: Mark Irvin.

MR. IRVIN: Here.

CHAIRMAN McCUSKER: Jannie is in Colorado; she's going to call in. And Cody may or may not make the meeting, we understand.

We do have a quorum.

First item on the agenda is the minutes, the transcription from the August meeting. They are transcribed verbatim.

Any questions, comments or changes?
MR. IRVIN: Move for approval.

MR. SHEAFE: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Board responds aye; motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: All right.

We have time set aside for an Executive Session. We need a motion to recess.

MR. SHEAFE: So moved.

MR. HILL: Second.

(Board responds aye; motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: We'll back here as soon as we can.

(Recess.)

CHAIRMAN McCUSKER: Motion to reconvene.

MR. IRVIN: To moved.

CHAIRMAN McCUSKER: Second please.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Board responds aye; motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: We're back in business.

We're going to dial Jannie Cox here in a moment. Stand by for that.
Hello, Jannie.

MR. IRVIN: You even have your own name plate over the phone.

MS. COX: That's nice. Thank you so much.

CHAIRMAN McCUSKER: Couple of quick updates for me. I think we have a lot of people trying to get places. We're going to move through this agenda pretty quickly.

If you are driving by Broadway and Euclid lately, you've seen the initiation of the Greyhound terminal. That project's moving pretty quickly. The exterior walls are, in fact up. They tell me we're going to do the roof trusses possibly this week. So we'll have some pictures posted to the website of that.

The TCC Arena and capability for the new Tucson Roadrunners is really quite an amazing story. I think the Star published a series of pictures end of last week. The ice is, indeed, down and on schedule with the Roadrunners logos on it. The back of the house transformation is really quite unbelievable.

We've built locker rooms where there were no locker rooms. We've updated everything that existed. There's a new press box, you know, they are on time and on budget.

So, Elaine, hats off to you, and thank you to
Concord for what they've done on the heroic job.

We're going to do the full update on that project in our October meeting, go back through everything we approved and where we ended up on the budget. I will add, I think we've spent through most of the contingency funds with some things that were not foreseen, but we'll still be on budget.

Mercado Annex is in escrow. We've funded our portion of that. Hopefully, they will break ground here shortly. We expect all of these projects to be completed this winter or first part of 2017.

And the AC Marriott Mark continues to track.

We're a year away.

MR. IRVIN: Expecting a certificate of occupancy June, July.

CHAIRMAN McCUSKER: Oh, so less than a year.

MR. IRVIN: Yeah.

CHAIRMAN McCUSKER: Dan, do you want to give us your financial update?

MR. MEYERS: I'm Dan Meyers, CFO with Rio Nuevo.

Okay. As of the end of August we had about $16.2 million in various banks, with outstanding commitments about 68 million. Of course, we're in the process of trying to do some financing for, I think,
about $57 million of that, so we've had about $5 million of excess cash as of the end of August, assuming the financing all goes through.

Our TIF revenues continue to be higher than budget. We received about $1.45 million for June, which we just received a couple of days ago. That caps off our fiscal year June 30th, 2016. I think we just barely exceeded $12 million, which is about $2.1 million over budget for last year; so it's extremely good news. As Fletcher mentioned, $2.2 million of our outstanding commitments were financed last month. We took $2.2 million out of the Alliance Bank ICS account to pay for that.

Our performance audit is pretty much completed. We have -- oh, we had a meeting yesterday to go over the draft of that, very minor modifications. Our annual audit is completed as well. I believe they will be presented at the October 25th Board Meeting.

Our new database is working great, compiling a ton of information. I think our next step now will be to go out and really try to identify which of the merchants are not properly completing the Arizona sales tax form, get them to go along with us, and, hopefully, we keep increasing our TIF revenue.

CHAIRMAN McCUSKER: Any questions of, Dan?
MR. IRVIN: Just want to tell you, I think that investment that you recommended we make in software has paid dividends. Thank you for that. Thank you for just monitoring that as well.

MR. MEYERS: Makes my little easier to --

CHAIRMAN McCUSKER: The Auditor General's report they have indicated should be released to the public maybe next week. This is the tri-annual audit. First one in 2010, '13 and now '16. So we've met with the auditors, they will submit that draft to the Auditor General, the Auditor General will submit that to the Governor, the President of the Senate and the Speaker, then we'll make it public when it's done probably sometime next week.

Mr. Collins, you want to update us on item seven and eight, both the conversation we've had regarding financing the improvements for the Greyhound and the AC Marriott?

MR. COLLINS: Mr. Chairman, Members of the Board, progress is being made. There is interest in the marketplace to buy the bonds that we would issue on revenue streams. Both Tim Stratton, and Bill Davis of Piper Jaffray, are exploring that. As a result of that, the interested banks are looking at the various documents, and there's hope that we can have that ready
for going out to market, if you will, before the end of
the year.

CHAIRMAN McCUSKER: Do we have to bring terms
back to the Board or are you authorized to go --

MR. COLLINS: Mr. Chairman, Members of the
Board, the resolution that was passed authorizes the
Executive Officers in general and the Chairman in
particular to sign the necessary documents, provided
that the return that the District is receiving falls
within the margins that we're discussed at that
meeting. If it goes beyond that, if the return is not
back, then it would have to come back to you folks.

CHAIRMAN McCUSKER: Timing on that, you think
before Christmas?

MR. COLLINS: That's the hope, yes, sir.

CHAIRMAN McCUSKER: Any questions of
Mr. Collins on those two deals?

Okay. Item number nine, this is the
conversation that's been ongoing between us and the
City of Tucson to purchase what we call the Cat Parcel.

To refresh everyone's memory, as part of the
consideration for attracting Caterpillar Mining and
Technology Division to Tucson, Rio Nuevo is building
their headquarters building, approximately 150,000
square feet, and leasing that back to Caterpillar. The
site that they selected, in conjunction with us, is immediately west of the Gutierrez Bridge just on the banks of the Santa Cruz. That's currently owned by the City of Tucson. Mr. Collins and Mr. Rankin have been negotiating the documents to provide for the sale of that parcel to Rio Nuevo, which we basically have completed. So we're in a position now, I think, to take it to City Council.

Mr. Collins, so all we need to do today is authorize you to proceed, right, or authorize us to execute the documents?

MR. COLLINS: Mr. Chairman, Members of the Board, yes. We have discussed in Executive Session the terms of the pending agreement between the District and the City. If you were to so instruct me to work with the Executive Officers to finalize and execute that document, provided that there are no material changes in it, it would seem to me that would advance the ball in a way that would allow Mayor and Council to discuss it during their next meeting. My understanding is that it's in the process of being agendized for that next meeting, so --

CHAIRMAN McCUSKER: What's your pleasure?

MR. SHEAFE: Let's move for approval that authorizes counsel to move forward by finalizing the
agreement, preparing it for the Executive Officers to approve.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Any conversations?

All in favor, say aye.

(Board responds aye.)

MR. IRVIN: Just want to make sure that the survey's coupled with that.

MR. COLLINS: Well, it's going to be about a particular parcel of property. What you've seen is the rough draft of it. I understand that Phil and Elaine have discussed the concerns that the Board had expressed about it. The agreement will not be finalized until we have a metes and bounds description, and that the description satisfies this Board as well as Mayor and Council.

MR. IRVIN: Thank you.

CHAIRMAN McCUSKER: All in favor, say aye.

(Board responds aye.)

CHAIRMAN McCUSKER: Any opposed?

Motion carries.

Jannie, you were an aye?

MS. COX: I was an aye.

CHAIRMAN McCUSKER: Thank you very much.

Okay. Now that we own this land or we'll
soon own this land, you're going to see us bring a
two number of items that you would typically see a
developer deal with as we move forward on this project.
In conversations with Mr. Collins, we've elected to
bring each and every item to the Board for conversation
and approval, regardless of its size or significance.

So we're basically in the land development
business now, so anything you would see a developer go
through -- archeology, engineering, Phase I and II,
ALTA, water, sewer, power, floodplain, environmental --
we're in that business. So there are a number of
things that have to be accomplished before we can
really begin to design and place the building on this
parcel.

If you went to the Sun Corridor Luncheon, you
heard the CEO of this Division announce to the world
that he expects to break ground in six months.

MR. COLLINS: I did hear that.

CHAIRMAN McCUSKER: Obviously, on a very fast
track. We're going to do everything we can to
accommodate Caterpillar.

So the first of those items is, indeed, as
Mr. Irvin suggested, the survey. So we're requesting
you to authorize a survey to identify the boundaries.
We are using open contractors to do the work, so we
don't have to competitively procure. Mr. Sweeney, who
is our project manager, has vetted all of these and
submitted them to us for approval.

    Phil, anything you want to say, or do we need
to know anything else about the boundaries, survey?

Mr. Collins, anything?

    MR. COLLINS:  Mr. Chairman, Members of the
Board, just for the public's understanding, the City
periodically vets a series of vendors for the City's
use, because the City has been in the development
business for a long time. The District has a
cooperative purchasing agreement with the City, which
allows the District to choose from among the vendors
that have been pre-vetted by the City to do some of the
work the District needs to have done. Phil is very
well aware of all of that. He has been working in
conjunction with Elaine Becker, at the City, to
identify the folks that will best serve your needs for
these various steps. And Ashby Surveying was selected;
it's one of the vendors.

    What you're being asked to do today is to
authorize the boundary survey, which is merely a metes
and bounds description of the property itself, roughly
$250 deal.

    CHAIRMAN McCUSKER:  The cost for that?
MR. COLLINS:  Roughly $250.

CHAIRMAN McCUSKER:  We told you we're going to bring everything to you. So $250 request, they are an open contractor.

MR. IRVIN:  Motion to approve.

MR. SHEAFE:  Second.

CHAIRMAN McCUSKER:  All in favor, say aye. (Board responds aye; motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER:  Aye carries.

Next item's a little more expensive, but we also have to look at the archeology of this parcel. And we have, Mr. Collins, a proposal as well for that. So walk us through that piece.

MR. COLLINS:  Well, Mr. Chairman, Members of the Board, as you've said, Mr. Chairman, there's a lot of steps to take. The City and Federal Government has regulations about archeological studies. There is a proposal that you folks have seen by one of the vendors, that's approved by the City of Tucson, to commence a staged level of archeological investigation on that parcel. It could cost as much as $110,000, depending on what they find.

It may cost less, right?

MR. SWAIM:  Phil Swain Associates Architects,
7350 East Speedway.

The 3.3 eastern acres of this site have not had archeological study to date. The other portions have been cleared, so their first step is about a $40,000 endeavor to be able to go in and do actual trenching through the site to be able to determine what is in place. They are anticipating canals and that sort of thing, and depending upon what they find, additional studies would need to be done to be able to do any final documentation to clear it. But that first step is really what we need to be able to do what, if anything, is in place.

MR. SHEAFE: Phil, you remember when Mike Jones was leading a lot of this effort for the City?

MR. SWAIM: Yes.

MR. SHEAFE: Have you been in contact with him? He's got a really good history of exactly what was done out there and what wasn't. Basically, the archeological review will be to go to the State records to see what's registered. Not all that work was registered, I'm pretty certain of that.

He's retired up on Mount Lemmon. I can get you his number if you want it, but he's really a bright guy, and I know he could say, I know exactly what we did, and here is where the records are.
MR. SWAIM: I think following up with John Jones, yes.

I've been coordinating with Jonathan Mabry, at the City, who manages their archeological Division, and -- but I think he'd be able to follow up with John. The more assurance we have that we're going to be cleared and understand what's been done historically will be really valuable.

MR. SHEAFE: Okay.

MR. SWAIM: Thank you.

CHAIRMAN McCUSKER: What's the timing on the -- if we authorize it today, when do you see the results?

MR. SWAIM: This first step is probably about a month-and-a-half process, month-and-a-half to two months. The problem is, we need to be able to coordinate the timing of this with the environmental Phase I survey, so that we don't disturb the Phase I environmental study before they get going and then they don't disturb the archeological. So it would be a coordinated effort. So we've got about a two-month, I think, window to be able to get that first step done to then move forward for Phase II items.

CHAIRMAN McCUSKER: So the estimate is $110,000. It's to Desert Archeology, I believe, which
is an authorized vendor. Could be less than that. So you might want to authorize up to that amount.

MR. SHEAFE: So move that we authorize up to maximum of 110 to explore the archeological review on the property, and also throw in a request that you make a special effort to go back to John Jones and others who have been involved in this to see if we can't clear out as much of that effort as possible, just realizing there is historical documentation that probably is out there.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: You might have set the record for the most long-winded motion.

MR. IRVIN: No. He's been higher than that.

CHAIRMAN McCUSKER: You think?

MR. IRVIN: Oh, yeah.

CHAIRMAN McCUSKER: The motion, simply stated, is we authorize $110,000 -- up to $110,000, subject to Phil doing some additional research so that we don't duplicate others' efforts.

All in favor, say aye.

(Board responds aye.)

CHAIRMAN McCUSKER: Jannie?

MS. COX: Aye.

JUDGE HALEY: Any opposed? Nay.
Carries.  

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Next item on the agenda, the ALTA. Mr. Collins, Mr. Swain.

MR. COLLINS: Well, I'll start and let Phil fill in.

We would -- the suggestion is that Ashby not only do the boundary survey, but do the ALTA survey. The ALTA survey provides a great deal more information and --

CHAIRMAN McCUSKER: For people who don't know what ALTA is --

MR. COLLINS: American Land Title Association Survey. It is agendized as ACSM, but about a month ago or two months ago it became -- ACSM became NSPS, alphabet soup. It's a very high-level survey. It is where the title company and your surveyor work together so you know exactly what you get on the property. I will let Phil fill in, but I think that's what it does. For any project like this, it's my strong recommendation that you have an ALTA survey.

MR. IRVIN: Also takes the title report and translates on to the survey anything from the title report; easements, access, et cetera, et cetera.
MR. COLLINS: Yes, sir.

MR. IRVIN: It's way above a metes and bounds. It draws your four corners, shows you everything and --

MR. COLLINS: Protrusions, encroachments, all of that stuff.

CHAIRMAN McCUSKER: And the cost for the ALTA?

MR. COLLINS: I think around $10,000.

CHAIRMAN McCUSKER: Okay. And are we going to ask to authorize Ashby to do both the archeology study and the ALTA simultaneously, or coordinate it so one doesn't interfere with the other?

MR. COLLINS: That would be my recommendation.

Before you make the motion, let me get to the proposal. The proposal is $9300 plus the 250 for the legal description.

And then an additional $1800 may also be charged, right?

MR. SWAIM: The additional $1800 is allowance for on-site surveying that they may need to be able to do as we identify other utilities and have Blue Stake, that sort of thing, because most of this was actually on the done with the initial survey through an aerial
Chairman McCusker: Authorize up to $11,000, should cover everything?

Mr. Collins: I would recommend 12.

Chairman McCusker: 12. Somebody make that motion.

Ms. Cox: So moved.

Chairman McCusker: Jannie made the motion.

Mr. Sheafe: Second.

Chairman McCusker: Up to $12,000 for ALTA.

All in favor, say aye.

(Board responds aye.)

Chairman McCusker: Opposed? Nay.

(Motion moved, seconded and passed unanimously.)

Chairman McCusker: Sorry. This seemed a little cumbersome. We decided we would do -- a lot of government entities batch all this stuff together and give some blanket approval. It's not the Rio Nuevo way.

Mr. Swaim: One clarification that would help, I think, to build on what Mr. Sheafe was requesting in the archeology, just want to clarify that we have been coordinating closely with the City of Tucson, Tucson Water, the utilities companies to make
sure that we're identifying elements that may be on the site, because what we found out, things like -- there's a reclaimed water line on the corner of the site, but because it's a City of Tucson property, there is no easement in place, so it wouldn't show up in the title report. So we're doing our homework. We've also been doing the records search, meeting with other engineers who have been involved in the property. We had archeology and other issues as well. So we really want to make sure we do our homework and identify anything out there.

Also, Ashby Surveying, who was the surveyor that had been working with the City of Tucson, had surveyed their entire parcel here on this site, so they are the logical one to be able to update that survey for this boundary as well.

Thank you.

CHAIRMAN McCUSKER: And, finally, the Phase I, which is the environmental. Mr. Collins.

MR. COLLINS: This is really -- you need to do the same thing or you need to consider doing the same thing with the Phase I Environmental Site Assessment. This is one of the many things that you need to do as a developer.

Phil has been talking, I believe, to
Terracon --

MR. SWAIM: That's correct.

MR. COLLINS: -- and Terracon is one the outfits that is an approved vendor for the City of Tucson, so you can cooperatively procure it as you're doing everything else. I think that's the appropriate way to go.

It's also my understanding -- Phil, correct me if I'm wrong -- but I believe Terracon is a vendor that is also on Caterpillar's approved list; so that's a pretty good reason.

CHAIRMAN McCUSKER: What's listed on the phase -- talk about Phase I, Phase II, and --

MR. COLLINS: I think we're looking -- Phase I, Phase II are assessments that you have to do if you want to avail yourself of any protections, if there are environmental problems on the site. If you do your due diligence, you can provide yourself with defenses if there are problems with the site.

Phase I is the initial assessment. In the assessment, there will be a recommendation if you need to go beyond Phase I. So the first step is Phase I. You may not have to do a Phase II.

I believe that the estimate here is $3000.

MR. SHEAFE: It's helpful to know.
Basically, Phase I is going through all the records that are available in all the agencies, identifying if there's anything of record that applies to this property. Then Phase II would be to dig a little deeper.

The one thing I would say is that since Terracon would be the party, and we will need a Phase I, but when we get to the development stage, if we -- particularly if we do something relative to bond or not, we need to include in that agreement that they will send that Phase I over, at least make it available to us so we don't have to repeat the same process, having already gone through it.

MR. SWAIM: That is correct. Obviously, as you know, the Phase I is basically good for 180 days. So we want to be able to make sure the time of that works, and it can be extended too, we will coordinate that. And in relation to that as well, we're coordinating with the City of Tucson and their Environmental Services Division because of their research and knowledge about the site as well.

CHAIRMAN McCUSKER: Is there --

MR. IRVIN: First of all, 3000 bucks, it's a great number, for whatever it's worth. But I'm pretty convinced when they do the Phase I, especially when
they look at the aerial photos as part of the overall survey, they are going to find that there's something there going that's to call for a Phase II and some drilling and checking. Chris, you know that as well.

My question is, have we asked them for a pricing on the Phase II, what that would cost? Do we need to wait till they have identified where they think the problem areas are?

As I understand, the area that's, quote, "a hole in the ground," has all been abated, that's kind of cleaned up. I can't tell how far east that line goes. In looking at some of the drawings, I'm pretty sure they are going to probably recommend something else. Curious if we've had any talks with them about pricing and timing.

MR. SWAIM: I have not spoken with them about pricing at this point about the Phase II.

Basically, the site is split down the center, because that's also where the Pima County sewer line splits the site as well. So it is just that eastern half. But you're absolutely right, the landfill, at a minimum, is adjacent to the edge of the site. We're going to confirm exactly where on the southern edge that is, so that will identify some level of Phase II investigation. But because of that, knowing that
there's something there, we can certainly start to understand what that is and anticipate as we're looking at our project budget.

MR. IRVIN: Thank you.

CHAIRMAN McCUSKER: So the request is to authorize up to $3000 for Terracon to do the Phase I Environmental Site Assessment.

MR. IRVIN: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Board responds aye.)

CHAIRMAN McCUSKER: Any opposed?

MS. COX: Jannie on the record as aye.

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Last item on our agenda is Caterpillar related. We're all about expediting Cat's relocation to Tucson.

For those of you that are tracking Caterpillar, the first 35 Cat execs have, indeed, relocated to Tucson, as we hoped for. They are all home buyers, they are builders. The next wave of 35 is right behind them. They ultimately hope to relocate 350 staff to Tucson. They are coming from worldwide destinations. They are consolidating a number of
offices in favor of Tucson.

We have a little wrinkle in the current temporary space. As you know, the County is leasing 97 East Congress to Caterpillar. It will house up to about 250 employees and is designed to be their short-term headquarters while Rio Nuevo builds out their permanent building. The original tenant in that building, besides the County, is the Indian Health Center. They have agreed to vacate their lease early to make room for Cat and are in the process of acquiring another County-owned building. In that process, they've identified some issues with the air conditioning system. Their estimate to do that is $140,000. The Indian Health Center doesn't have $140,000, so we're at risk of delaying Cat's relocation.

Rio Nuevo's been asked to help. The County's offered to put up 50 of that 140. We're going to discuss the options and opportunity for Rio Nuevo to help make up that difference so we can expedite the Indian Health Center's relocation and get the next wave of Caterpillar's employees into that building.

MR. HILL: Mr. Chairman, is there someone from the County to explain where they came up with the 50,000?
CHAIRMAN McCUSKER: We were hopeful somebody 
would be here. That's the limits of the County 
Administrator's authority without going to the Board of 
Supervisors, which I think they would be prepared to 
do, but maybe not as quickly as we can. That's the 
extent of Mr. Huckleberry's scope of authority.

MR. IRVIN: When does the Board meet next?

MR. SHEAFE: The 18th of October.

MR. MARQUEZ: Mr. Chairman.

CHAIRMAN McCUSKER: Mr. Marquez.

MR. MARQUEZ: I don't think Indian Health 
Center or Rio Nuevo, personally, should be paying this. 
I mean, we all had a piece of this deal; City of 
Tucson, Sun Corridor, Pima County. They are simply 
going to temporarily house Cat for us.

In round numbers, we put in 60 million of the 
64 million for -- you know, I'm sure -- I'm going to 
guess that Pima County has to do an asset audit at some 
point to know what buildings they have available, to 
know what buildings will also need to work for them.

To move Indian Health Center to a building that needs 
$140,000 worth of work and only come up with 50,000 and 
come to us for the 90, we're already 60 million of the 
64 million, something doesn't sit right. I understand 
moving forward for Caterpillar, but at some point --
Pima County's not even here to address us on this. Did they ask for a honk, did they offer a credit towards any future fees we might be paying to Pima County for future construction, whether it's water, sewer? I'm just personally kind of blown away by this and not excited for the fact they've come to us for additional funds when we've already done so much via this Rio Nuevo Board.

MR. HILL: Mr. Chairman, to follow up on Mr. Marquez's comments, I'm in total agreement, combined with the fact that we recently bailed out the County with the boundary situation on the Garden where they were eight feet into the City lane and all that. And I think we certainly did our due diligence there, and now they've come back and asked for 50,000. They have gotten in the habit -- or asking for 97,000. They've gotten in the habit, as many of the groups have, that they hit the City, hit the County, whoever else, and then they say, we'll go to the easy mark, Rio Nuevo, the bottomless pit. And I think what we are characterized out there in the public, and certainly in the news media, with the old Board that was a consistent pattern. I have fought that with the Fountain, the Memorial; that we set ourselves up for these people to come in with their wish list.
If the County really wanted to do this, they should have had a public vote. They should have found a way to fix that or they shouldn't be here asking for 97, $98,000.

In addition to that, they are a creature, if you would, of the State, and the State has a vested interest in Caterpillar coming here. Why they don't they go to the State, to their monthly Board meeting, reallocate resources. They could probably simply give that 97,000 out of whatever budget in the Governor's Office that they need to switch it, Joint Legislative Budget Committee. I think that should be the first place they should have gone. If we then have a direction from the Governor, with the President and Senate, Speaker of the House, suggesting the only way to fix this is for us to give them the $98,000, that's a different color. That makes more sense.

We serve at their pleasure. We all serve at the pleasure of taxpayer. And as Mr. Marquez said, this really smacks as an abuse of the taxpayer situation.

There's nobody here from the media. We're back to skullduggery of the County and the City. Whenever they have a problem, go to Rio Nuevo and get the money. I also find that unsettling and I'm not
overall pleased, as you can tell, particularly with nobody here from the Board of Supervisors.

Thank you very much.

CHAIRMAN McCUSKER: Mr. Irvin.

MR. IRVIN: I completely and totally concur with everything that Edmund said. I think you said it very, very well.

You know, we've -- I think the County, as I understand it, was always proud that they've never come to Rio Nuevo to ask us for anything. They always say the City has done that, not us. When I saw this request, I was very surprised by it. And you know, in the context of $60 million, I'm not sure $100,000 is going to make or break a deal, but I do know that it's important to get these folks in town.

You know, one thing that I know we've got is a sewer line that runs right down the middle of the property. Sewer lines are never where they are supposed to be. You know, I just wonder if there's not an opportunity to -- maybe, Chris, you could comment on this. You know, is there an opportunity maybe to do something with the County and say we'll take care of that, but we would like some consideration for -- you just went through that for some other things on relocate.
that might be?

CHAIRMAN McCUSKER: You could offset their impact fees. There are going to be connection fees, all kind of things the County's going to see on the other side of this development.

Maybe what you do, Mark, is say, okay, we'll advance this money, but we want it credited against our project.

MR. IRVIN: That's exactly where I was going.

I would like to make that motion, that we advance the money, we take it back from Pima County in a credit from other fees and relocations, things we're --

MR. SHEAFE: You want that to be a commitment from the County up front, that they would say, yes, we'll work with you when we get the --

MR. IRVIN: Yes, I would.

MR. MARQUEZ: Are we instructing counsel to move forward with a discussion with Pima County in regards to a credit?

CHAIRMAN McCUSKER: You have a motion, no second, to negotiate with the County to provide us an offset, dollar-for-dollar offset, that anything we advance to expedite this we would recover in the Cat project.
MR. SHEAFE: I'll second that.

MR. HILL: Mr. Chairman, discussion on the motion, the second then is in order.

Counsel, is that doable? I mean, can we legally make a motion that's binding on the County? Because you would give that to them and they would have to sign off and have that 140 -- or the 97,000 guaranteed in proverbial stone that we'll get that offset.

MR. COLLINS: Correct, Mr. Hill. Yes, we can put that in writing. We can make it conditional. That's not a terribly difficult agreement to write. Other agreements that I've written for you guys are a lot more complicated than that.

If Mr. Huckleberry and the County are generally in agreement, then I'm sure we can write it and have it signed and they can approve it.

MR. HILL: Mr. Chairman, just to follow that one more step further, what if they don't want to sign that and don't want to approve it, what do we do then? We would be postponing, delaying the Caterpillar project. Do we have any other options that you can think of or perhaps come up with to hold their proverbial feet to the fire?

CHAIRMAN McCUSKER: Hang on one second.
Mr. Sheafe has to go.

We have a motion and second. Do you want to record your vote on the way out?

MR. SHEAFE: I will support the motion, because I can see that this is really only authorizing you to go ahead and do the negotiations, really.

CHAIRMAN McCUSKER: We'll finish our conversation before we do the rest of the roll call.

MR. SHEAFE: Thank you.

CHAIRMAN McCUSKER: It's pretty obvious to me, if we do that, it would have to go to the Board of Supervisors. It probably exceeds the County Manager's scope of authority.

I don't know if I agree with Edmund that we're easy. I do know we're fast. I think the reason both Cat and the County came to us was because we can expedite these kind of things. This is not expeditious, but it may be the right thing, but it is going to put it back in the Board of Supes. They can either say, we're not going to do that, just pay for it ourselves, or we'll accept that proposal from Rio Nuevo and find a way to offset that. But I don't think that's going to occur without being agendized at the Supervisor's level.

MR. COLLINS: As I understand the motion, it
is to authorize the advancing of the $97,000, provided that the County agrees. Now, whether the County Manager has authority to make such an agreement prior to the Board Meeting, I don't know that.

CHAIRMAN McCUSKER: Our motion is invalid unless the County agrees?

MR. COLLINS: That's correct.

CHAIRMAN McCUSKER: Mr. Marquez.

MR. MARQUEZ: One has last point.

We just got done approving boundary survey, ALTA. Pima County Supervisors meet in 20 days. I'm sure we'll be busy, still progressing forward while we wait 20 some days for the Pima County Board of Supervisor to meet. I don't think we're holding anything up. Worse case scenario, they either pay for it them themselves -- that would be fantastic -- or they give us credit towards our future deal.

MR. COLLINS: It seems to me you have a motion and second.

CHAIRMAN McCUSKER: We have one recorded aye. Michelle, call the roll.

MS. BETTINI: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. BETTINI: Jeff Hill.

MR. HILL: I wish to explain my vote.
I think the addition to the motion is appropriate; that we do get that money. I think that the County's got to understand we're just not a blank checkbook. So I support the concept, but as a message to the County that we are not the proverbial rubber stamp when it comes to their money problems, at this time I'm required to vote no.

MS. BETTINI: Mark Irvin.

MR. IRVIN: Yes.

MS. BETTINI: Jannie Cox.

MS. COX: Aye.

CHAIRMAN McCUSKER: And aye for me.

So the motion carries five to one.

We'll notify the County of our intent, Mr. Collins, and we'll wait for them to respond.

We've set aside some time for call to the audience.

Michelle, anything?

Entertain a motion to adjourn.

MR. IRVIN: So moved.

CHAIRMAN McCUSKER: Second, please.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Board responds aye; motion moved, seconded and passed unanimously.)
CERTIFIED REPORTER'S CERTIFICATE

STATE OF ARIZONA )
 ) ss.
COUNTY OF PIMA )

BE IT KNOWN that I took the foregoing proceedings; that I was then and there a Certified Reporter, CR No. 50218, in the State of Arizona; that said proceedings were reduced to writing by me.

I DO FURTHER CERTIFY the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) and (2) are in compliance; that I am not a relative or attorney of any party, or financially or otherwise interested in the action.

WITNESS MY HAND this 28th day of September 2016.

___________________________
ANTHONY C. GARCIA, RDR, CR
Certified Reporter No. 50218
REPORTING FIRM CERTIFICATE

THIS FIRM CERTIFIES the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) through (6) are in compliance and have been met.

WITNESS MY HAND this 28th day of September 2016.

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KATHY FINK & ASSOCIATES, INC. No. R1003