(Meeting commenced at 1:14 p.m.)

CHAIRMAN McCUSKER: Okay. We're going to call the meeting to order.

It's 1:14 by the official Rio Nuevo clock.

We probably should have had a sign out there:

Your Rio Nuevo dollars to work. This remodeling is all the result of the Rio Nuevo Arena remodel.

Restrooms, Michele, how does that work?

MS. BETTINI: These are offline over here. If you follow the signs, go to the elevator, and you're actually using the dressing rooms down on the bottom floor.

CHAIRMAN McCUSKER: All right. So if you need to go to the restroom, these are offline. Go to the stairs or the elevator to the mez level. There will be restrooms there.

So, Chris, you want to lead the pledge? It's backwards; pledge is first.

MR. COLLINS: All right.

(Pledge of Allegiance recited.)

CHAIRMAN McCUSKER: Now, Michele, you can call the roll.

MS. BETTINI: Cody Ritchie?

MR. RITCHIE: Here.

MS. BETTINI: Mark Irvin?

SECRETARY IRVIN: Here.
MS. BETTINI: Fletcher McCusker?

CHAIRMAN McCUSKER: Here.

MS. BETTINI: Chris Sheafe?

TREASURER SHEAFE: Here.

MS. BETTINI: Alberto Moore?

MR. MOORE: Here.

MS. BETTINI: Jannie Cox will be on the phone later. And Jeff Hill is on his way.

CHAIRMAN McCUSKER: Okay. So we have a quorum.

You have the transcripts from the August 26th meeting. They are verbatim.

Any questions, comments, edits, or changes in that?

TREASURER SHEAFE: Move for approval.

SECRETARY IRVIN: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Ayes.)

(The Board voted and the motion carried.)

CHAIRMAN McCUSKER: All right. We have an Executive Session scheduled. We need a motion to recess and move to Executive Session.

TREASURER SHEAFE: So moved.

CHAIRMAN McCUSKER: One of you second it, please.

SECRETARY IRVIN: I'll second it.
CHAIRMAN McCUSKER: All right. All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Okay. We'll be back here in 45 or 50 minutes.

(The Board adjourned to Executive Session at 1:16 p.m.)

(Meeting reconvened at 2:00 p.m.)

CHAIRMAN McCUSKER: Okay. We need a motion to reconvene.

SECRETARY IRVIN: So moved.

CHAIRMAN McCUSKER: Second, please?

MR. MOORE: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Jannie Cox is on the phone. Mr. Hill has arrived as well.

Thank you, everyone. Good afternoon. You can see we have a full agenda. We are going to try and move through things pretty quickly.

It's an exciting time for us. I told the staff on the way in we should have had a sign out front that said: Your Rio Nuevo dollars at work. Because this construction that you're walking around is part of the Rio Nuevo
commitment to renovate the TCC Arena.

So it's actually quite spectacular. It's still a hard-hat area or we'd let you peek in there. But the new seats are in. And new sound system is in. The bathroom remodel is done. And the concession areas are done for the most part. They're working on the breezeways. I think we have some photos later of some of the improvements.

We're probably a couple months away from actually being finished with the Arena remodel and actually on budget. So we're on schedule and on budget. We have committed to a grand opening of the new Arena January 3. The Beach Boys have committed to help us celebrate that.

We have a number of other people now cosponsoring that event with us, which includes SMG, the new private management for the Arena. Concord Construction is also contributing to that. And we just heard today that K-HIT radio will cosponsor that event with us too. So our hope is -- it's a $25 ticket. I can't -- I don't know how many of you go to concerts. But I can't remember the last time you could see a Hall of Fame band for 25 bucks.

But we're seeing a lot of corporations buy ticket blocks and then donating them to charitable organizations. Concord, in fact, bought a 400-ticket block the other day. And they're distributing those to charity. So it's really been an extraordinary event and a chance to really showcase
the Arena.

    With SMG's help, we're inviting a lot of important people to that show so that they can see the new Arena in concert mode. So we hope to be able to invite booking agents, talent managers, talent agents, promoters to come see the new Arena in our -- with our best foot forward.

    So on today's agenda we're going to give you an update on that. We're going to talk about the Fox Theatre, which is a Rio-Nuevo-owned property, talk to our friends from the January 8th memorial. We are now in a position to fund the streetscape proposal from the City settlement. We have a proposal on that as well.

    So without further ado, Dan, you want to give us your financial update?

    MR. MEYERS: Hi. I'm Dan Meyers, the CFO of Rio Nuevo.

    Our current cash position, we've got $5.7 million in our Alliance Bank operating account. We've got about $5 million in another account at Alliance. $285,000 at Bank of Tucson. And the funds that the City of Tucson is holding for us at this point in time is 1,090,000. Those funds are being used to pay for the improvements to the TCC Arena at this point in time.

    As far as commitments, we've got about $5.4 million of commitments. Fletcher mentioned a few of
those a few minutes ago. The biggest one is the remaining
for the Tucson Community Center, which is about $3.5 million
remaining to be paid on that one.

A couple points of interest. We've got the TIF
revenue for July. I was just alerted to what that was going
to be: $1.3 million. We'll be getting that any day. The
TIF revenue for June came in, in September. That's 800,000.
So again, you can see the big disparities from month to
month and the challenges we have with budgeting for the --
over the year of what our income's going to be. But it's
pretty much on schedule of what we're anticipating at this
point in time.

We've got $4 million once the July one hits here
in a couple days for the first four months of this fiscal
year that we physically received. We budgeted $825,000 a
month. So thus far, we're ahead of our budget. But if you
look at the history, this is when the TIF revenue starts
decreasing. So, you know, it would be nice to have access
to the records so that we can kind of get some idea of what
these TIF revenues, on a monthly basis, consist of.

CHAIRMAN McCUSKER: Mark whispered in my ear. I
think we've talked about this. Is why we don't show the AC
Hotel commitment; is that because it's not a current
obligation?

MR. MEYERS: Yes, right.
CHAIRMAN McCUSKER: Just maybe put a footnote or something there so that we remember we do have a $4.2 million dollar commitment to --

SECRETARY IRVIN: 4.3.

CHAIRMAN McCUSKER: Or 4.3 million.

MR. MEYERS: Sure. Yeah, we -- I can certainly add that to next month's report.

Does anybody have any questions or other comments?

CHAIRMAN McCUSKER: So if we did -- now, we'll have -- obviously that's not due for a couple years, right?

SECRETARY IRVIN: Couple years.

MR. MOORE: So we should hope to have enough TIF profits to cover that in the meantime. So without that, we've got roughly 5-and-a-half million dollars.

SECRETARY IRVIN: We can probably also footnote that to reflect the earnest money deposit.

MR. MEYERS: In essence, I think that all occurred in September. So the September report will be in our next meeting, which I believe is the 17th.

CHAIRMAN McCUSKER: So to be conservative in terms of looking at other projects or anything we would want to develop ourselves, we've got about 7 million bucks in the bank.

MR. MEYERS: Right.

And one other note. We got a draft of the audit.
I've got it in my hands. I've started reviewing it and making sure the numbers match up. And I'll read through all the footnotes. And we should have that pretty much looked at by the end of the week.

And then we've got a couple more confirmations that need to go out. Should have that resolved, I assume, by the next Board meeting and have it presented.

CHAIRMAN McCUSKER: Any questions for Dan?

Thank you very much.

Elaine, give us our TCC update.

MS. BECHERER: Good afternoon. Can everybody hear me okay?

CHAIRMAN McCUSKER: No.

MS. BECHERER: No. Okay. So I will sit down, then.

How about now?

CHAIRMAN McCUSKER: Better.

MS. BECHERER: Good afternoon. Elaine Becherer.

Rio Nuevo TCC Arena project manager.

I have four items that I want to update you on today. And, first, I'd like to start with the owners report that I passed out to you. And I'd like to share the photos with the audience as well.

As the project was introduced by Chairman McCusker, not only are the 4900 seats complete, but
all of the restrooms except for the administration restrooms are complete. And we will be punching those later in the week.

All of the concessions stands will be up and running for Disney on Ice, which is next week, except for the breezeway. So construction is on schedule. And we are within budget, which is a great project win.

We are also working towards installing the mural in the breezeway. We're going to talk about the breezeway floor momentarily as well as the escalator lobby renovations. And so the project is -- there's a lot going on. And every day something changes. One of our big rocks that we're working through right now is we have Disney on Ice next week. And so we're trying to make sure that we're ready for that. So with that, I'll just go through some of these photographs.

So this is a photograph of the concession stand on the concourse level at the east end. It is a full renovation, a new soffit that goes up to the ceiling, all new lights, a complete new ceiling, new guard at the concession. The video boards are not up yet but -- they were not up when this photograph was taken, but they are up now. We'll have digital signage, illuminated signage. So it's a complete renovation.

This is one of the lower level concession stands.
Now we have video boards on the back wall, all new Corian countertops. All of the concession stands are ADA accessible for not only the user but as well as the staff. So we fixed the countertops. We fixed plumbing. We fixed the push and pull on the doors. They are fully compliant.

This is the lower level corridor that runs north-south. And so previously what was there was the baby blue painted plywood. And, you know, we now have lights. We'll also have some furniture to allow people to linger.

This is right across from the concession stand.

This is one of the newly renovated restrooms. This is the women's, actually. So all new plumbing fixtures. Everything is new except for the walls. But everything's been painted. New partitions, new lights.

Right here, these are the original escalator lobby -- these are the original escalator treads that we used to infill the cavity in the masonry wall. And now we have these really great blue LED lights that accent the space.

This is a photograph of the south wall. So you can see some of the accent colors are going in, the studs for the acoustic panels that are being put up. And then, in the center, that's where the new video board that was discussed at last month's meeting will be installed. The existing video board that is hanging currently, that will go
An overall photograph of the Arena. In the center here, you can see the new sound cluster that was mentioned. And you can see some of the new seats as well. This is a little dark photograph, but this is the mezzanine level with some new acoustic panels and lighting as well as the -- another view of the mezzanine level.

And then this is the new breezeway. So even though the photograph for the audience is a little dark, I think, in the printed material, you can clearly see the renovation and how it's taking shape, that it's a completely different look and feel for the space.

It's a new ceiling. We're reusing the existing skylights. And it's not done yet so it's gonna look even better in a couple months.

This is an earlier photograph of the breezeway. New soffits at the entry. Those are the new glass doors going into the arena. And then this is just work by progress.

So in addition to working towards Disney on Ice, we're also working with the new private management company, SMG, and helping them to coordinate and help with the transition as they move in.

So the next item that I presented in front of you is a copy of a change order that I'd like to talk through.
So the previous change order that I brought to the board was for the epoxy on the restroom floors. And that was greater than $25,000. So the change order in front of you is comprised of four specific items.

One, is for the breezeway floors. So the same application that we did in the restrooms. It is the design team and my recommendation to the board that we also apply that application to the breezeway floor that we're spending, you know, money to renovate and really look different.

Well, we also need to do something and address the existing concrete. So that's the 61,000.

The second item is for the site signage. So the site signage entails a full campus renovation to all of the existing parking signage, as well as the two new monument signs. And the project went through two iterations to value engineer the overall signage package. And basically what it entailed is that our original estimate for site signage was just low. And so we needed this additional money to complete the site signage. And so that is the 153,000.

The automatic door openers, 36,000.

As a part of the renovation to the breezeway, we're getting all new doors into the Arena and into the breezeway. Those will have panic and automatic door openers. But the existing doors that are exiting from the Arena on the east and west side, we are not replacing those
doors. But we would like to replace the automatic door openers. And that is what the $36,000 is.

And then, the fourth item is the asbestos abatement for the escalator lobby. So we always had included the escalator lobby as a part of our renovations. And we always knew that we'd have to address the asbestos. And now we have the cost associated with the abatement.

So those would all equal the 301,000.

On the --

CHAIRMAN McCUSKER: You should mention that that's coming from the contingency fund.

MS. BECHERER: That is. That is coming from the owners' contingency fund. So on the project tracking sheet that I also passed out, it reflects, to date, that the owners' contingency has $425,000.

There have also been some miscellaneous change orders that were less than 25,000. So those, in addition to the 301,000, there is plenty of owners' contingency to address these four items.

But prior to me moving forward, I need the Board's approval. And so that's what I'm here presenting to you today and asking -- and this is my recommendation, these four items.

CHAIRMAN McCUSKER: A couple of them are nice to have. A couple of them we really have to address.
MS. BECHERER: Yes.

CHAIRMAN McCUSKER: Like the asbestos, the panic hardware, that's probably -- signage. I mean, if we didn't approve things, we'd have to go back and redress.

MS. BECHERER: If we didn't do the signage, we would have to take a look at the overall scope of the site package, and we would have to remove signs from the sign package as well as consider, you know, deleting the monument signs.

CHAIRMAN McCUSKER: We might want to talk about the monument signs because I don't know that everyone's aware. For the first time, we'll have signs on Church and Granada that actually are electronic digital signs that tell you what's happening in this arena. Right now, you drive by and you don't have a clue what's going on here or what's coming up here. So we saw that as an important aspect.

And we didn't include it in the initial budget. But as we've been able to keep or contingency, we think it's an important addition. It will require a variance. So we still have to go before the sign commission because it's larger than zoning would normally allow. But we think it's an important piece of how people access the TCC and see what's going on in the future.

MS. BECHERER: So the 150 for the site signage includes those two monument signs. And they would have the
capability to have a video board that faces the north and the south.

And I have reached out to all of the adjacent neighbors and stakeholders to ask for their support for those monument signs. And as of right now, no one is opposing the monument signs, which is great.

So Visit Tucson, Merchants Council, the Office of Economic Initiatives with the City of Tucson, as well as Rio Nuevo, we've received letters of support from those four entities for the monument signs.

(Telephone ringing.)

SECRETARY IRVIN: Did we also get one from MOCA?

MS. BECHERER: We have not yet received one from MOCA.

MS. COX: I'm here. I don't know happened.

MR. MOORE: All right. We can watch the lights. If we lose you, we'll call you back.

MS. COX: Thank you.

MR. RITCHIE: Can I make a motion?

CHAIRMAN McCUSKER: Please.

MR. RITCHIE: I make a motion to approve the change order.

MR. COLLINS: Mr. Chairman, Members of the Board, I'm sorry to interrupt but change orders are not agendized today. I was unaware of the change order component. What
you have agendized today is the amendment to the IGA and
amending the contract with Concord.

MS. BECHERER: Which is something different.

Right.

MR. COLLINS: Right.

I'm . . . so.

TREASURER SHEAFE: You know, we approved the
original budget. And in the original budget, we had the
potential of the overage which was budgeted in. So this is
not a new item.

CHAIRMAN McCUSKER: But our code specifically
requires anything over $25,000 to have Board approval. And
that's not property agendized. We can't take it up.

MR. COLLINS: You can do it on the 17th. We can
have it on the 17th. But open meeting law requires that we
have it on the agenda. And it's not there.

And I apologize to you, Elaine. I thought that
was being worked out.

MS. BECHERER: I will be here on the 17th.

CHAIRMAN McCUSKER: So in your update, you've
advised us there's a change order coming.

MS. BECHERER: Yes, sir.

CHAIRMAN McCUSKER: Thank you for that.

MS. BECHERER: So the next item -- well, before I
introduce Craig with SMG, I would like to note that, as you
see on your agenda, there's a couple items coming up that
relate to the kitchen at the TCC and those renovations and
the change order that Mr. Collins mentioned.

Myself and Ron Lewis with general services, we are
both here to answer any questions that you may have
regarding the scope of work related to the kitchen
renovation as well as the City funds that are being used
to --

CHAIRMAN McCUSKER: So let's hold on that item.

MS. BECHERER: Yes.

CHAIRMAN McCUSKER: Let's introduce our new
management.

MS. BECHERER: Yes. So my last item is that I
just wanted to introduce --

CHAIRMAN McCUSKER: And, Elaine, with them -- if
any of the Rio Nuevo Board members have any questions of
Elaine and our SMG regarding the status, that is -- it's an
update, Mark -- that's all agendized.

MR. COLLINS: Yeah. That's fine.

MS. BECHERER: So with that, I'd like to introduce
Mr. Craig Liston. He is the regional vice president with
SMG.

And, Craig.

MR. LISTON: Thanks, Elaine.

I'm Craig. This is Lewis Dawley who you'll hear
from in a minute. I've been managing the transition for
SMG.

First, I'd like to thank this Board for their support. This is day one of our management contract with the City. And we've got a lot of work to do. A lot of it's related to staffing because a lot of the staff that we're working here at the facility have taken other positions with the City.

But we've got our recruitment efforts going. We've got some staff positions to be filled. And the ones that are currently vacant, we'll be bringing in people from some of our other operations to pinch hit while we get through some of the upcoming events.

But thank you for the opportunity. Looking forward to working with you.

CHAIRMAN McCUSKER: Tell us a little bit about SMG. We didn't participate in the procurement. So who are you and what else do you manage?

MR. LISTON: Certainly.

Well, SMG is the largest private facility management company in the world. Some of our accounts that you're probably familiar with would be the New Orleans Superdome, Soldier Field in Chicago, McCormick Place in Chicago, Moscone Center in San Francisco.

It's -- I think our roster now is over 230
facilities around the world, all of them conventions, stadiums, theaters, arenas. So this operation here in Tucson, with all the various components, is right in our sweet spot. So it's something we do on a daily basis in other markets and looking forward to getting started here. Is that enough, Mr. Chairman, or would you like more background?

CHAIRMAN McCUSKER: Standby in case there's a question.

MR. LISTON: Certainly.

MR. DAWLEY: As you heard, I'm Lewis Dawley. And actually we're starting. We're not just starting; we're on our way here.

I've been with SMG for a number of years. I've been in this industry for almost 40 years. A big part of my career was building and opening facilities. And the last one I did before I joined SMG was the convention center in Washington, D.C. which was an $800 million project. And I was the CEO and general manager there.

So I have done a lot of things with SMG. A very great organization. SMG's a great organization. It's a guy like me who does a little bit of everything. So I'm really excited about being here. I'm going to lead us through this transition and get this facility into what I consider to be a world-class facility. Hope to get to done very quickly.
I do live here. I guess it was a good idea 12 years ago, my wife and I bought a home here, never lived in it. So it's wonderful to be home. And also, I have to tell you, I'm very excited about having an opportunity to do something in this community. We love it here. All my kids are in Arizona. Obviously we didn't start out here. I've worked all over the United States, north, east, south, and west. But it's great to be home.

Very excited about this facility. We're going to do some things here that you're going to be proud to say that you had something to do with making this facility world class.

And again, as Craig said, thank you for all your support. Always willing to listen. If you have some suggestions, ideas, you know, I'm all about making it better. So please feel free to do that.

And I'm looking forward to working with all of you and getting to know you over the next months.

Thanks.

CHAIRMAN McCUSKER: Any questions for new management or Elaine regarding the status of the remodel?

MR. RITCHIE: No questions. But best of luck to you guys. Welcome.

MR. DAWLEY: Thank you.

MR. LISTON: Appreciate it.
CHAIRMAN McCUSKER: And we're grateful for your support on the grand opening too. It's going to make a measurable difference. Thanks. Good luck.

MR. LISTON: Thank you.

CHAIRMAN McCUSKER: That's a good segue to the kitchen. In part of the City's effort to continue to upgrade this facility, the City would like to renovate and remodel the main kitchen next to the catering kitchen.

Specifically, the request of the City is to be able to tag along on our contract on the Arena and actually add that scope of work as a change order to our existing relationship.

So it's a way we can help expedite the process. And my understanding -- right, Elaine, Ron? -- is that the funds are all City proceeds. So this is basically just a partnership, if you will, between Rio Nuevo and the City to get the upgrades done to the kitchen.

MS. BECHERER: That is correct.

CHAIRMAN McCUSKER: So, Mark, do you want to explain legally what's in front of us?

MR. COLLINS: Well, it's not a lot to explain legally. As the Board may remember, the District and the City have an IGA for this renovation. That IGA contemplates two GMPs, or gross maximum prices, as does the contract with the contractor.
What -- the proposal that's being made to you today is to amend GMP No. 2. GMP No. 2 is the City's obligation. Elaine can go through that some more. But I've reviewed the amendment that's been prepared by Mr. Lewis on behalf of the City. My partner Mr. Schmaltz has. We're fine with it. All it does is amend the City's obligations under the IGA.

So Agenda Item No. 8 is to amend that IGA.

MS. BECHERER: If the Board would like a review of what GMP 2 is, I would happy to explain is that.

SECRETARY IRVIN: You mean, as far as the scope of the work?

MS. BECHERER: Yes.

SECRETARY IRVIN: I think it would be great for the Board to hear.

MS. BECHERER: So GMP 2 exists all of the new plumbing fixtures that the City provided -- or found funding for, in addition to the duct insulation of all of the HVAC ducts going into the Arena.

So that consisted of a GMP 2 of $544,000. So this $250,000 would be an addition to that 544, which would all be City funds but Concord, our existing general contractor, they would be conducting that work.

I think in terms of the schedule and the coordination with the Arena Project, it should be noted that
the kitchen work will not begin until the middle to late December. And the kitchen renovation will be complete prior to the Gem Show.

And it's my goal and focus that Concord, first, needs to stay focused on the completion of the Arena. That is the our first goal, which they know that. And then we will transition into the kitchen.

CHAIRMAN McCUSKER: Thank you.

Mr. Lewis?

MR. LEWIS: If I could add, the -- Elaine mentioned $250,000. The amendment to the IGA is for 300,000 with an allowance of 50,000 for contingency. These are repairs to an existing kitchen that's in pretty bad shape. And we expect there will be change orders needed for it so we have 50,000 in contingency and for 300,000 total.

CHAIRMAN McCUSKER: Thank you.

We would need a motion to approve the amended IGA.

SECRETARY IRVIN: So moved.

TREASURER SHEAFE: Second.

CHAIRMAN McCUSKER: All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Any opposed?

(The Board voted and the motion carried.)

CHAIRMAN McCUSKER: Okay. Let's go remodel a
kitchen.

MS. BECHERER: Thank you very much.

CHAIRMAN McCUSKER: Thank you, Elaine.

Ron, thank you very much.

Mr. Collins, just a quick update for us on Item 10. At the last meeting we talked about our commitments to the Mission Garden, vis-a-vis the settlement from the City. They presented us a draft budget. Included in that budget were some soft costs, which we were uncertain about. And you've done some research since then. So what is your recommendation regarding the operating costs?

MR. COLLINS: Well, my recommendation regarding operating costs is that the District ought not to be funding operating costs but rather, to the extent that it's going to fulfill it's obligation under the settlement agreement, it ought to be -- for lack of a better term -- bricks and mortar.

Mr. Chairman, I don't know that it was your intent to skip over Item No. 9, Agenda Item No. 9, because a necessary adjunct to amending the IGA is to amend the contract, the construction contract, to track that.

CHAIRMAN McCUSKER: That would require two separate motions?

MR. COLLINS: It would.

CHAIRMAN McCUSKER: We couldn't capture it with
the one motion?

MR. COLLINS: No.

CHAIRMAN McCUSKER: All right. So let's back up while you're there. And we would need to amend the CM at Risk contract to include the additional scope.

SECRETARY IRVIN: So moved.

TREASURER SHEAFE: Second.

MR. MOORE: A motion and second.

All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Any opposed?

(The Board voted and the motion carried.)

CHAIRMAN McCUSKER: Thank you for that.

Are you in communication with the Mission Garden folks --

MR. COLLINS: Yes.

CHAIRMAN McCUSKER: -- and their attorney?

MR. COLLINS: Yes.

I'm meeting with Phil Hall of Friends of Tucson's Birthplace tomorrow. I provided him with a draft of the -- of my thinking of how the agreement can go forward.

To refresh everyone's recollection, at the last meeting, Treasurer Sheafe made the motion that the District expends $300,000 of the 1.1 million that they agreed to
spend on the Mission Gardens area. That 300 can be spent
only on infrastructure.

There is, in place already, an agreement among the
City, the County, and Friends of Tucson's Birthplace.
Rather than reinvent the wheel, it's been my proposal that
we piggyback or amend that so that we can make sure that the
$300,000 that is expended is in accordance with the
appropriate procurement codes and so forth.

So does that answer your question, Mr. Chairman?

CHAIRMAN McCUSKER: Yeah. I take it we will see
that as a future agenda item.

MR. COLLINS: You will, in fact.

CHAIRMAN McCUSKER: Okay. Item 11, the Fox
Theatre.

And, Bill, come on up.

Let me give some background as to this agenda item. I've been able to sit on both sides of this issue as
a -- actually the former chairman of the Fox Theatre. And it was incomprehensible to me the complexity of the
transaction that involved the National Historic Trust.

But what happened back in 2006, is that in exchange for about $3-and-a-half million of historical
preservation bonds, the Rio Nuevo District leased, to the National Trust for Historic Preservation our cherished Fox
Theatre, for 50 years, for a dollar.
So the tenant, which we all assume is the Fox Foundation, is, in fact, not the Fox Foundation. It's the National Trust for Historic Preservation. They sublease to the Fox. The Fox pays a significant dividend every year, out of their revenue, to the National Trust.

In those documents, after research by us and counsel, there is a window of opportunity for us to take the Trust out of their tenancy position. And we're specifically discussing that agenda item today.

But in order to do that, we wanted you guys to give us an update, generally, on -- and the public, who I think is very interested in your theater -- how the Fox is doing, how you're doing financially. Is there an advantage to you initially to taking out the Trust? And then, allow us to kind of discuss where we would go from here.

So I think you've provided us with an update. Is this also a PowerPoint?

MR. SUMBERG: Yes.

CHAIRMAN McCUSKER: Are you going to go through it for the audience?

MR. SUMBERG: No. But I do have copies here if you'd like a copy.

MR. MOORE: So the presentation you're going to go through, there are copies up here providing the audience wants one.
MR. SUMBERG: Yes.

CHAIRMAN McCUSKER: And introduce yourself for the record.

MR. SUMBERG: Sure.

Craig Sumberg, director of the Fox Tucson Theatre Foundation.

MR. HOLMES: And Bill Holmes, board chair for the Fox Theatre Foundation.

MR. SUMBERG: So I'm just gonna run through the sheets and give you a sense of how things are going at the Fox. I think you have some sense reading the newspaper and from the community at large that things are better at the -- at the theater.

The first slide shows you annual growth in attendees from 2010 to 2013. Basically at a 10,000-a-year clip. Not all of these are paid tickets. A number of these are free shows. For example, the Sunday Evening Forum this weekend with Linda Ronstadt. A free show, we'll have a thousand, 1100 people in the building. So those numbers count, these numbers. But just a general sense that the building is busier. We're providing that community service and kind of energizing our end of downtown.

The next one is earned income. This is specific -- strictly ticket sales, concessions, things we earn at the building. From 2010, $491,000 up to a
million-eight-thirty in 2013. The budgeted number for 2014, which we're more or less on track to make, is a flat 2 million. So we are increasing on that.

Obviously our expenses have grown as well. But we are -- you'll see in a minute that we are doing well on that front as well.

The next slide, if you will, is annual growth in contributions. The year before 2010, I just want to point out, we were at $63,000. So we've shown a market increase and the ability to raise money for the -- through the foundation for the theater over of the last five years.

We were up to 413,000. The goal for this coming year is 528,000. I'm not quite sure we'll get exactly to that number. But we're going to come pretty close.

So overall, our budget's gone from about a million dollars to 2-and-a-half million over the last four years.

The last slide of this nature shows you an increase or a decrease in cash from operations. So on a cash basis, how are we doing at the theater.

In 2010, you see we lost quite a lot of money. 2011, a little bit less. 2012, a little bit less than that. 2013, on cash basis, actually generated $6,000 in income which we're very proud of. Obviously we're still in a hole from all those years of losing money. So we're digging out from that hole and have some plans over the next 12 to
18 months to get out of that hole and move forward into the future with a very strong financial base.

I have here the next two slides are January through July of this year of how we're doing at the theater. The first one is the Foundation which -- the way we divide up the entities of the Fox, there's Foundation and Presents are the two that you'll see here.

Foundation raises the money. So we've raised about $271,000. Expenses of $172,000 for a total of 99,000. We take out the depreciation and interest on the bonds. That interest is interest that's owed by your bonds. If you take those two numbers out, we've made about $197,000 in the Foundation this year.

Next sheet is Presents. So this is what we're earning or losing, if you will, at the on shows and rentals at the theater. Bottom line, a loss of about $127,000. If you combine that with the adjusted net income from the Foundation, a decent amount of money left for operations at the Fox.

So we believe that we have demonstrated, over the last four years, an ability to run that theater successfully, bring people in, run shows, get more rentals in.

We feel, overall, things are going very well for us at the theater.
CHAIRMAN McCUSKER: We did an economic study that showed what Fox patrons spend outside of the Fox.

MR. SUMBERG: Correct. We -- at that time, we were -- the total raised was about 1.8 million at the Fox. That's now up to 2.5. When we were raising -- or earning and raising 1.8 at the Fox, the total was 3.4 million. So about another 1.6 coming into downtown. Now that we're up to 2.5, I would assume -- we will redo that study, but I would assume we're somewhere in the $2 million of money --

CHAIRMAN McCUSKER: This year it was like 30 bucks a patron on the average. And so if you're doing 70,000 people, that's about $2 million.

MR. SUMBERG: Yeah. I think that's correct.

CHAIRMAN McCUSKER: And we're -- and they -- and they're still paying for parking right? There's no --

MR. SUMBERG: Correct.

CHAIRMAN McCUSKER: There's no other with attachment to get to the --

MR. SUMBERG: We do not have our own parking lot.

MR. HOLMES: Nor our own restaurant.

MR. SUMBERG: The next page is staff at the Fox. The only position on there unfilled at the moment is our tech and facility manager. We're interviewing for that position this weekend. So we expect to have that filled within a couple of weeks. And that will fill out our
staffing for the coming year.

The next page is our board of directors, executive committee and the board. We worked hard to build the board over the last couple of years. It's about double what it was the last time we came in to see you. So we feel good about the community support investment in the theater both in terms of dollars and the literal time helping us run the theater.

The next few pages are just upcoming shows. I wanted to give you a sense of what's coming at the Fox. October is probably the best month we've had in the last year or two. These are not -- this is not everything coming in October. This is just the things we thought you'd be interested in. There are a lot of events happening. I think 21 events in October. So we feel very hopeful with what's coming down the pike.

The next page is everything through November and December.

And then, the last page is what's now booked for the spring. I want to point out that a number of these are not our shows. So we have two Rialto shows -- three Rialto shows on here. We have a number of -- you can't really read it too well. But it's the Tucson Jazz Festival is using our venue for a number of shows. UA Presents has number of shows here. So we're thrilled that we can provide the Fox
as a rental to the community.

We give great deals to nonprofits to do so. We give a very fair deal to the businesses in the community that want to book shows at the Fox. We know it's the crown jewel of downtown. A great performing arts venue. And we want to keep it busy and filled.

The next page after that, we're proud to announce -- this is the second time I've announced it publicly -- that our gala performer will be Martin Short. That is on Sunday, November 16th at 7 p.m. There is a VIP dinner beforehand, five o'clock in the County courthouse courtyard. We do consider this the greatest gala in town. I know other people think differently. But it's a lot of fun. And Martin Short's a great performer. So we're thrilled about that.

The next page gives you some sense of the sponsorship opportunities for the gala, just so you can see the kind of money we're trying to raise. Jim Click Auto was already in as our title sponsor for the last three years for that show.

And then some of the ticket pricing for the gala. And just a general thanks for the support that Rio Nuevo has given us over the years and the rest of the community as well.

MR. HOLMES: I would just add, you know, when I
was invited to be on the board a number of years ago, you know, I've been a strong supporter of downtown for many, many years. I officed at Wells Fargo for almost ten years. And this organization was beat up left and right, what you did right, what you did wrong.

I got to tell you though my reason for joining the board was because this is one of things you did really, really well. The support that you gave individually and as an organization really has propelled us where, I think, we are today.

I think Craig's presentation demonstrated we're on the right trajectory. And we've got that hole that we're digging out of. It's going to be a little while. But I believe with the board that we have in place, with the leadership we have in place, and with your ongoing support, we'll get out of that hole in a pretty short order.

CHAIRMAN McCUSKER: Talk about the economics with the Trust.

MR. SUMBERG: So the Trust, we have both two kinds of tax credits, new market and historic. And they expire together this spring. So we have between now and next -- essentially it's a six-month window -- so, you know, summer of next year, between now and then, to exit the relationship with the Trust.

In order do so, it's gonna cost us somewhere
between a quarter of million and $300,000. There's -- the number's not exactly clear because you have to tell them that you want to get out, and then there's some tax implications that have to be figured out. But that's the window of the amount that's due. And, you know, once we take them out, then obviously it's better for all of us to be just having ownership here in Tucson.

CHAIRMAN McCUSKER: And your annual dividend or obligation to the trust is how much?

MR. SUMBERG: 89,000.

MS. COX: How much was that?

CHAIRMAN McCUSKER: $89,000 annually, Jannie.

MR. SUMBERG: So what we've -- as you can see, we believe we have turned the ship around. The Fox is operating well. We're staffed well. We know what we're doing. We're creating a great brand downtown. But our cash reserves are not sufficient to be able to cover that payment.

So we would ask the Rio Nuevo Board to consider helping us with that payment and after which, we'll be able to talk about some kind of getting to pay off the amount that we do owe the Board.

TREASURER SHEAFE: So are you offering, then, some kind of incentive for the Board to do that?

MR. SUMBERG: Free tickets to any show coming up.
TREASURER SHEAFE: No. I'm not talking personally. I'm trying to be serious here. And I don't want to try to negotiate with you.

MR. SUMBERG: No problem.

TREASURER SHEAFE: But basically, if you read through it -- or think through it, you guys put close to 300,000 into the Fox to relieve the Fox of the burden of the Foundation -- or the Trust. All right? So that puts the Fox back in the position of being a tenant of the District, correct?

MR. SUMBERG: Yes, correct.

TREASURER SHEAFE: All right. It kind of cleans all the complications and put it into the black. And it would help get a simple -- the District and a tenant. The theater is the tenant, and the District's -- in the vain of the District trying to generate the seed capital that we put in and we get back, is that in your thinking? Or you thinking, just give us the money and that will help us far along, and then you'll invest the 300,000 more to ensure the health of the Fox Theatre but don't think about getting the 300 back?

MR. HOLMES: I think because of the immediate need that we have to hopefully relieve that burden, we couldn't take it to the direction that you're going. And what I'd like to suggest is that, as a board, we sit down and look
that and come up with something that would be agreeable to the District.

TREASURER SHEAFE: Without jumping ahead of my fellow Board members, one of the issues that we're dealing with, we have lots of people coming to us for money.

The problem is that a lot of the money the Rio Nuevo District was going to generate was pretty much bonded out and spent. So we're sitting in a very tight configuration of trying to invest money into things that we can see a return on those dollars back, at least to get the dollars back so we can turn around and invest them with somebody else.

MR. SUMBERG: What we --

TREASURER SHEAFE: It could be very helpful if you could hit us with a plan that met that goal.

MR. SUMBERG: The proposal we came in ready to make -- and I'll just say it -- is we -- because as you hear, things are better. We're raising money. We are operating much more efficiently. And we're bringing in great shows. We still need to dig out from the hole we're in. So in addition to the money we still owe Rio Nuevo, we owe vendors and some other -- you know, there's expenses we need to dig out of.

We believe have in mind a campaign that will help us do so. In order to do so and have the confidence we can
go to our potential donors in the community and say, invest
in the Fox Theatre Foundation again, it's beneficial to us
to come up with a deal that we all agree on. And we know
what we have to pay you. And, you know, that's turned out
over some period of time so that we can operate successfully
and build a foundation for the Fox.

So in order to do that, we'd like a standstill on
the amount of payment -- the payback to the Board. So we
don't want to say that you'll pay the 300,000, we'll pay you
the 89,000 next year. That won't really help us get where
we need to go.

TREASURER SHEAFE: That's what I'm asking, is you
come to us with a plan. This is me speaking alone. There's
a board here and I'm only one voice. If you can give us a
plan that works for you -- and it may be a standstill for a
while -- then we can look at it like we've got seed capital
that we can put out to preserve a very valuable asset --
it's probably worth 15 million as a community -- and if we
can see how that could regenerate, that helps us set a
standard for how we deal with other requests as well.

And so it may not be immediate. It may be just a
plan that if you put this 300 in, it helps us to this
degree, and here's how we can give you back your seed
capital so you can go help other people.

CHAIRMAN McCUSKER: Mark, what's the timing on the
MR. COLLINS: Mr. Chairman, Members of the Board, the put from the Trust can be made on March 20th of next year. You have a window, about a six-month period right now, where there's no requirement for a put.

By March 20th of next year, there will be an opportunity for the Trust to make a put. And I believe the number that Craig was talking about to take out the Trust is that -- is that kind of number. That money would be paid to the Trust, which would allow the District and the various Fox entities to collapse, if you will, the rather intricate arrangement that they're currently in.

CHAIRMAN McCUSKER: So what Mr. Sheafe is suggesting is you put a plan in front of us. This is what it will cost to take the Trust out; this is what we'll do as the new tenant of the Fox in a direct relationship between Rio Nuevo and the Foundation.

MR. SUMBERG: I think that it sounds like it would be completely agreeable to us.

CHAIRMAN McCUSKER: We need to do that in short order.

MR. HOLMES: We can come back next meeting with a plan. Do you want to --

CHAIRMAN McCUSKER: By the 17th?

SECRETARY IRVIN: By the 17th?
TREASURER SHEAFE: By the 17th?
MR. SUMBERG: October?
TREASURER SHEAFE: Yeah.
MR. SUMBERG: That would be up to...
CHAIRMAN McCUSKER: It's two weeks away.
MR. SUMBERG: Do you want --
TREASURER SHEAFE: It's a morning meeting, by the way.
MR. SUMBERG: Do you want us to interact with anybody in the meantime or just kind of come back?
TREASURER SHEAFE: You can just come back with a plan.
MR. HOLMES: Very well.
MR. SUMBERG: Thank you.
SECRETARY IRVIN: Just a couple of things.
MS. COX: I have a question, too, when you finish.
SECRETARY IRVIN: Sure.
So just a couple of things that you kind of touched on that give a little concern.
Are all the accounts payable current that you guys have?
MR. SUMBERG: I will -- current -- I mean, at the moment, we're pretty close. I mean, we're within 60 days on everybody. Over the summer -- the summer's our hardest time -- we get very tight over the summer. So we do fall
back. We have less shows. There's less money coming in.

So that's just our annual reality.

And with the hole that we're in, that's the hardest time. But we believe within 12 to 18 months, we can clear that out. But at the moment, I -- I -- we're as current as the average . . . 60 days.

SECRETARY IRVIN: 60 days out.

And the second thing is, is any deferred maintenance? Anything that we need to know about in that arena?

MR. HOLMES: I think that's all been addressed.

MR. SUMBERG: I should point out -- I'm not sure we reported or not -- we did put a -- we resurfaced the roof this summer. We got a grant for that. And it needed a -- it needed it. It was -- we had a significant leaks in the roof. So that's -- we haven't had a leak since. And that was a great improvement.

The HVAC also blew up this summer. So we had to fix the HVAC. That was under contract and that's been done.

So the one project that's still -- that I think you all know about is the ceiling in the main lobby has not yet been repaired -- or repainted. It's a paint job.

CHAIRMAN McCUSKER: It's not just paint though.

It's a -- it's curated.

MR. SUMBERG: It's fancy paint, correct.
MR. HOLMES: And we've actually identified a potential donor for that.

SECRETARY IRVIN: What's the anticipated cost for that?

MR. SUMBERG: It ranges. And that's part of the issue. I mean, it's anywhere between 5 and 25.

CHAIRMAN McCUSKER: Okay. So --

SECRETARY IRVIN: Jannie had a question.

CHAIRMAN McCUSKER: Jannie, you had a question.

MS. COX: I have a couple of questions. And I'm having a little trouble hearing so if I missed something, forgive me.

But if you have an $89,000 annual obligation to the Historic Trust and that goes away, would that free up that amount of money to start paying on the loan to Rio Nuevo?

MR. SUMBERG: That is the theory, Jannie. Can you hear me?

CHAIRMAN McCUSKER: Theoretically, that's exactly right, Jannie. I think they're negotiating.

MS. COX: Okay.

MR. SUMBERG: But we're negotiating when that would start, Jannie.

CHAIRMAN McCUSKER: So what we decided is not to negotiate in a meeting, but have them present --
MS. COX: Right.

CHAIRMAN McCUSKER: -- present us a plan.

But I think that's exactly the way we look at it, is that you're running a break even theater and you can pay $90,000 to the Trust, there's an opportunity for us to recover that kind of money as a landlord.

And whether or not we do it tomorrow, I think you've got some flexibility on the board level. But our objective would be to put -- if you're going to use Rio Nuevo funds to take the Trust out, that we enjoy the landlordship that they currently enjoy. And now you're dealing with us when your air conditioning breaks or you need something else.

And they heard us earlier. We're not gonna pay operating costs.

So, you know, you've got to manage your own revenue and expenses. But, you know, I think you'd rather have us as a landlord than the National Historic Trust.

MR. SUMBERG: At least we know where you work, yes.

CHAIRMAN McCUSKER: Yeah.

MS. COX: And I have one more question, please, before we dismiss this agenda item.

CHAIRMAN McCUSKER: Go ahead.

MS. COX: And that is about your fundraising
efforts. How active is your board, and what is the status of your fundraising efforts there? Because I know you were very active for a while, but I haven't heard very much lately.

CHAIRMAN McCUSKER: That's one of the slides you missed Jannie. Just contributions over the last four years, in 2010, they were 163,000; in 2011, 217; in 2012, 379; in 2013, 413.

And your contribution budget, Craig, for this year, 2014, is?

MR. SUMBERG: 528.

CHAIRMAN McCUSKER: 528.

So they've gone from 163 to 528.

Now, to Jannie's point, how comfortable are you and how active are you in that fundraising?

MR. HOLMES: Well, one of the things I want to address for Jannie is, she mentioned what was the board's role.

With the board size today, it's one of the largest components of our fundraising. Every board member has a give-or-get component, as a member of the board, of $4,000. And to date, I would believe a hundred percent of our board has met that or exceeded it.

We're now going into our really robust fundraising season with the gala. That's our signature event. And,
Jannie, you don't have the PowerPoint in front of you, but it does have a breakdown of our sponsorship levels. And typically we'll sell -- we'll sell every one of those levels. And in number of them, we'll sell multiples.

MR. SUMBERG: I want to add one thing. Jannie, I know you mentioned lack of visibility. I do want to say, the one place we've been really successful this year, we're proud of, is sponsorships of shows. We're at -- I think we've had about $20,000 in sponsorship last year. And we're at something like 70,000 right now. And, easily, the majority of our shows that we've presented have been sponsored this year. So we feel very good about that.

CHAIRMAN McCUSKER: You know, I think it's commendable when you look at the revenue increases since I was involved, it's really quite extraordinary.

What most people don't appreciate is, if at the Rialto or at the Fox, when you see a sold out show, every seat is filled, you might make $10,000. So we all assume when we see all these people going in and out of these theaters, that you're just rolling in the money. But most of that money is going to the artists. And it's become very competitive to attract the kind of people that would fill these seats when you've got the casinos and other venues that compete with you for talent.

It was a hard lesson for me to learn, is that, you
know, a sold out sheet, you know, when you look at $50
tickets, you know, use assume that, oh, man, the guys are
just rolling in it. You know, you've got to be sold out to
make 10 grand. And then, you know, how many of those do you
have to have a year in order to create any kind of reserves.
It's a tough business.

MR. SUMBERG: Correct.
And the other piece of that, even worse, is when
we don't sell out. We sell 700 tickets, but the act needed
to sell 9 to break even. So even though people in the
audience will say, wow, what a great show, which it was,
we're in the red.

CHAIRMAN McCUSKER: Are you maxed out, do you
think, in terms of show dates and . . .

MR. SUMBERG: This -- in the fourth quarter, we're
pretty maxed out. I mean, we're basically full. But
beginning in January, we have space and working hard to book
rentals and shows.

CHAIRMAN McCUSKER: Any other questions for the
Fox?

TREASURER SHEAFE: Just a comment. Having been in
a similar position, Bill, I want to thank you and hope
you'll express thank you to the other members of the board.
These are voluntary positions. They take a lot of time.
And more importantly, they take a lot of creative energy.
And they're not easy positions to fulfill.

And I've watched the Fox, from a number of years ago, come through enormous obstacles. Fletcher was very involved in bringing it over the hump to at least an operational opportunity state. And now it's kind of blossoming from there. And that just comes as the result of a lot of personal hard effort and commitment in terms of time and energy.

And I just want to say thanks to that group.

MR. HOLMES: And I will share your sentiments. I appreciate it very much.

CHAIRMAN McCUSKER: Mr. Irvin?

SECRETARY IRVIN: Craig, as you know, over four years ago, we met. I had three concerns. And one of them was --

MR. SUMBERG: It was a nice lunch.

SECRETARY IRVIN: Yeah, it was as nice lunch.

You know, one was that you didn't really have much of a board. And the board that you had, you really weren't asking them to do much. And I think you fixed that.

The second thing was that there really wasn't the kind of utilization of that treasure in our community that we thought there should be. And you guys have really wrapped that up.

And those were probably my two single biggest
concerns that I had.

The minor one was, I thought you guys had a marginal reputation in the community, especially as related to nonprofit. And I've not heard any of that.

So on those three issues that we sat down four years ago -- plus four years ago and talked about, I just want to commend you for taking care of those issues.

MR. SUMBERG: Thank you very much.

CHAIRMAN McCUSKER: All right. We look forward to your proposal.

MR. SUMBERG: Thank you.

CHAIRMAN McCUSKER: No. 13, Eckbo. Helen, are you . . .

MS. ERICKSON: I didn't realize we would have a --

CHAIRMAN McCUSKER: Reintroduce yourself for the record.

MS. ERICKSON: Absolutely.

I'm Helen Erickson. And I'm representing the community group called TCC Today. And, of course, our mission is the renewal and maintenance of the TCC, the music hall, the Leo Rich Theater and the historic Eckbo landscape.

And above all, I'm here today to thank you people. Because the grant that you gave us, the challenge grant, was really the turning point in making this project possible.

So if you look at Page 1, on the left side, we
have a list of the various donors who helped us here. At
the top are the people who gave significant financial
contributions. And then, down below -- and it's a partial
list of all of the people who provided in-kind donations or
gave us advice, help, counsel, services, all this kind of
things.

CHAIRMAN McCUSKER: Let me pause for a moment to
allow our court reporter to take a break.

(Pause in the proceedings.)

CHAIRMAN McCUSKER: Okay. Helen, pick it right
up.

MS. ERICKSON: Okay. So I'll try to stay really
close to the mic here.

On the first page, as I was saying, we have two
groups of donors there. The people that have given advice,
help, and in-kind objects. And this group is growing daily.
And I hope I haven't neglected anyone to offend them in this
way.

On the top right, you have sort of an indication
of where this site is just in case everybody's forgotten and
hasn't seen the fence out there.

Construction began this past Monday. And our
contractor Danny Pena of Rustic Adobe Masonry is doing a
fantastic job. He's about two days ahead of schedule right
now. And what I particularly like about Danny, he's worked
on a lot of historic preservation projects, so he knows how
to take out brick and save it carefully for relaying. And
we just had a discussion, for example, on how to make
cement match so that we won't have those big white
cement patches that you have at other places there.

So on the left side of Page 2, what you have is a
picture taken just after this particular little area of the
landscape was installed. And down below you have a picture
that I took this year. So you can definitely see that it
really needs some help.

And, as I say, our goal is to restore this little
bit of the landscape so that people can see how beautiful it
really could be when it's restored.

On Page 2, I've sort of done a summary of how this
project developed, starting with the historic study and the
conservation plan that was supported by the Tucson Historic
Preservation Foundation and then how we worked together to
choose the site and the fundraising part of it, for which,
again, I really thank Rio Nuevo because that was a turning
point. And we had the plans reviewed by the Tucson-Pima
County Historical Commission, who have to give okay for work
that's being done in the historic landscape. And, finally,
we made it to construction.

So on the next page, again, we see photos on the
right of the kind of work that has to be done when you're
doing this kind of renovation. In other words, you're taking out materials, cleaning them carefully, storing them carefully, and -- so they can be used.

At the bottom is a picture with ten cloned pots out there now. You might not notice that they haven't been there always because they are such great clones. Larry Kornegay of Phoenix, who is a concrete sculptor, did those for us. And they're out on the plaza right now.

On the right side of that page you have what I consider to be really one of the important features of the project, are the Silva Cells. Essentially what you have there is a large excavation below the plaza level where you can put in these frames. And the frames permit the roots of the tree to expand and grow. And in that same area, it also retains moisture from any kind of rain event. So, the result is that you actually have healthy, growing trees instead of dead trees.

And we're very excited about this. It's a proven technology. Steve Martino has tested it out in Phoenix. But we will be the first city to actually use it in a consistent project like this.

Let's see. On Page 4, one of the things that we're doing here is we're documenting everything. Because the hope is that, through this demonstration project, we can coming up with protocols for best practice for future
projects. So we know what we're doing, what works, what
doesn't work.

Again, we're using it for educational purposes.

We'll be doing lecture during Modernism Week with a tour to
follow at the Leo Rich on October 6th. We're going to be --
we have upcoming presentation at the University of Arizona
and at MOCA. And we have signage at the demonstration site
which should be up on Friday which explains the context of
history at the plaza and also what we're trying to do with
the demonstration area.

Oh, I should mention, by the way, that the signage
is bilingual. And we've made an effort to integrate that
into our work because we feel that there's so many people
coming, visitors from Mexico, not just people who live in
Tucson. But we are sort of a capital for two countries
here.

And, of course, we are doing walking tours. We're
going to be doing some after concerts. And we'll also have
one, as I say, as part of Modernism Week.

So our coalition continues to grow. We have a lot
of people involved, for example, the clones of the benches
that are following the designs that Eckbo, himself, did.
Those are in special collections at the University of
Arizona. The materials lab at the College of Architecture,
Planning, and Landscape Architecture is going to be making
those for us. And we'll continue to update all of this progress, of course, on our website.

So final steps here, we have to get the informational signage in; Silva Cells are going in possibly tomorrow, if you want to come look; drip irrigation; planting trees and shrubs, which have been donated by nurseries in the area; reproduction benches I mentioned. We're going to reposition two of the lighting fixtures from less obvious places in the plaza so that you will actually have a vision in this place of what it could look like. The planters will be filled, of course. And then we're going to have a ribbon-cutting celebration and some press coverage, we hope, because it's such an exciting event.

The National Register listing, the update is that it has been listed as pending, which means that we hope to hear in a couple weeks, three weeks at the most, that we are actually listed on the National Register. So we're also really excited about that.

And, again, I really -- I really thank you all because this was such a turning point.

And if we can go ahead now, we're looking for grants for our water studies so we can get the fountains working with appropriate technology and not be water hogs and all this type of thing.

I think it's gonna be a real win-win for Tucson.
And Carla and I really appreciate it.

Thank you.

SECRETARY IRVIN: Helen, thanks for your work.

I'm very impressed. I think it's going to be a great catalyst. And I was a little skeptical initially. And I can tell you, I'm pretty tickled with what you're doing and I appreciate your vision.

MS. ERICKSON: Cool. We are so excited. It's real great to see what's happened.

MS. COX: And, Helen, I would like to say that when I first met you and heard about this project in the early plan implementation team meeting, I was immediately impressed with your commitment, your knowledge. And I am really, really pleased to see the success that you've had so far. And I look forward to the rest of it. I can't wait for that ribbon cutting.

MS. ERICKSON: Thank you. Elaine is whispering in my ear here. She said, yes, this is definitely leverage for the Pima County bond issue.

And we are actually placing that at this point. So we're keeping towards that to make sure that we keep front and center on that. Because that would be our opportunity, really, to go ahead and make a major difference to a larger section of the landscape.

CHAIRMAN McCUSKER: Well, you probably, at a
minimum, saved a very important historical piece of landscaping. I don't know that anyone in the city or anyone in the community appreciated the significance of these fountains until you guys really engaged.

They were -- they've been bastardized over the years. They've been -- there was a proposal one time to backfill them with sand. You know, they've been added to, deleted from. To restore them to their historical accuracy, to do it with the money that you have certainly is quite impressive. So hopefully the County will see the opportunity to continue to engage with you guys to continue the project.

MS. ERICKSON: I hope that will happen. I must say that MOCA and Anne-Marie Russell and Emily Yetman did some of the initial work on this. And I think they deserve credit for that too.

CHAIRMAN McCUSKER: Good luck.

MS. ERICKSON: Thank you.

CHAIRMAN McCUSKER: Okay. Mr. Collins, Item 13, an update for us on the status of the Arena Lot RFP.

MR. COLLINS: Mr. Chairman, Members of the Board, you have a -- this is a discussion-only item because at this stage there's nothing for this Board to do with respect to the RFP.

As you maybe aware, there was a period for a
protest. Peach Properties filed a protest on September 4th.

That -- a copy of that protest was provided to Nor-Gen as the interested party and asked if it wanted to respond. Nor-Gen did in a timely fashion.

Both of those items are posted on the District's web page, as is the transmittal letter from the contract officer Michele outlining the process.

The anticipated ruling, if you will -- date -- is this coming Friday. My office is working with Michele on that. And I anticipate that there will be a ruling by Friday.

CHAIRMAN McCUSKER: And what happens with that dealing? Is that released to the parties? Is it public? Will it go up on the website?

MR. COLLINS: All of the above.

Then there will be a period of seven days -- according to the procurement code, there are seven days in which the party adversely affected by that ruling can appeal. That appeal -- by the procurement code; if I said probate, I didn't mean to; it's procurement code -- goes to the Treasurer and the Chairman.

CHAIRMAN McCUSKER: Everybody got it?

Okay. While you're up there, the West Side Parcel.

MR. COLLINS: We still don't have a deed. But I
drafted one thanks to the information I finally received from the City. It's in the hands of Assistant City Attorney Damian Fellows. He and I have worked together before. We're making progress on that. Because we now have a legal description and a draft ALTA, we're working to finalize that ALTA with both WLB and Title Security whose providing the title insurance.

CHAIRMAN McCUSKER: Is there something in our packet regarding the WLB request? Or is it just a marked item?

MR. COLLINS: It's just an agenda item. It's my understanding, Mr. Chair, that there was some desire to amend the existing contract with WLB to allow them to do some soil testing.

CHAIRMAN McCUSKER: And I think we may want to cap that. WLB's been working for us since the settlement agreement was announced. This is a very troubled piece of property. It is virtually a hundred percent landfill. We now know it's still producing active methane. There are monitoring wells on that property. We've just now have obtained the legal. There's a gas line across it. There's a sewer easement. There's a lot of issues.

One of the things we would like them to do next -- they've been great to work with; we wouldn't be here today except the work that WLB's done -- is to really understand
what it is we got from the City, in terms of the depth and
issues associated with the landfill and the issues
associated with methane.

And I understand from my conversations with them
that will take drilling to actually get an accurate reading
on that, which I think we would have to have, any
developer's gonna to have to have. And they've estimated
that upwards to maybe 50- or $60,000 of additional work.

So the amount left on our contract with them, you
have, I think, is just maybe 20 grand or 25,000 remaining.

MR. COLLINS: I don't have those numbers with me,
Mr. Chairman. But that sounds about right to me. There was
an original contract, as I recall, for $36,000. And it was
then amended to add an additional $25,000 to that.

I don't believe they've drawn that total amount
yet. So there is some margin. I don't have that number for
you right now.

CHAIRMAN McCUSKER: So we would need to probably
extend -- expand that contract by another, call it, 50 grand
to allow them the room to do the soil testing, methane gas
testing, so we really understand what's over there.

One of the things that this is in partial reaction
to, there's been a lot of interest from the neighborhood and
others about the possibilities of reforesting that property.
And we've been advised that you can't puncture the cap. And
we really need to understand before we could even consider
putting a tree over there, in terms of what we're dealing
with, with the landfill and the gas production.

So it's almost necessary for us to do this, this
testing. But I'd be fine with some sort of cap on them. If
they need more money, they'll come back to the Board.

And Mr. Moore can't vote on this item.

MR. COLLINS: Right.

SECRETARY IRVIN: If you're looking for a motion,
I'll make a motion to increase it to an additional $50,000.

MR. MOORE: Second from Cody? Did I hear a
second? Did I pick that up?

TREASURER SHEAFE: What was the motion?

CHAIRMAN McCUSKER: To increase the WLB -- you're
recused so -- but to increase the WLB contract by an
additional $50,000 specially for the purpose of soil and gas
testing on the site.

I didn't hear a second.

TREASURER SHEAFE: Did you have a reason for
selecting 50?

CHAIRMAN McCUSKER: Because I mentioned it as a
number. We're not going to know until we get --

TREASURER SHEAFE: Yeah. I was going to say,
that's a pretty liberal amount, I'm guessing, for those
tests. Having done --
CHAIRMAN McCUSKER: Well, they've got to drill. I mean, it's drilling and drill rigs and . . .

TREASURER SHEAFE: I'll second.

CHAIRMAN McCUSKER: Any further discussion?

We have a motion and a second to increase the WLB contract by $50,000.

All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Any opposed?

And one abstain, Mr. Moore.

(The Board voted and the motion carried.)

CHAIRMAN McCUSKER: Thank you.

January 8th Memorial, Item 16. Pam, Steve, you guys, thank you for hanging in there with us. And introduce yourself.

MS. CROW: Steve, all set up here.

MR. BRIGHAM: Trying to get some life in the laptop.

CHAIRMAN McCUSKER: Michelle, she's a woman of all trades.

MR. BRIGHAM: Tell you what. While we're waiting, let me introduce myself. I'm Stephen Brigham. I've been involved with the memorial from its inception. I'm the hospital representative.
CHAIRMAN McCUSKER: You're going to need get closer to the mic or Jannie will never...

MR. BRIGHAM: Is that a little bit better?

CHAIRMAN McCUSKER: Yes.

MR. BRIGHAM: It sounds like it might be.

So I've been with the memorial activity from the very beginning. I represent the hospital, the hospital formally known as University Medical Center. And I've also served as the President of the January 8th Memorial Foundation.

With me is Pam Simon, one of the congressional office staff persons who was shot that day and thankfully survived. She is here to help me with this presentation.

What I'd like to do is depart from the presentation a little bit. This is a pretty exciting day. I just learned, and you're gonna learn for the first time, that yesterday we just received I believe 60 proposals for the planning and design of the memorial. And I'll get into the detail, but it's so exciting I want to just lead with that.

We have proposals from all over Arizona including 31 from Tucson. And proposals from Spain, Canada, and India. So it's a pretty exciting day for us, as well as an opportunity to talk to you about the opportunity to put another piece of the puzzle together downtown.
I'd like to start with this historic slide.

As a kid growing up in Tucson, I was always -- I always thought of downtown Tucson as one of the most fantastic places that I've ever seen. And I was going back and forth between Massachusetts and Arizona. Downtown Tucson was terrific. And I think all of you and many others in the community deserve a lot of credit for what's been happening in the last few years.

We are part of that. We've got an incredible site. We have a great opportunity to pull together a lot of things here that I want to go through.

So, Michelle, if you can go to the next slide.

We have some -- we're an all volunteer group.

And if I could ask the volunteers that are here from our foundation to just stand.

I'm not going to go through everybody. But this is a group that's been working really hard for the past couple of years to bring all this together, including Michelle Crow, our foundation manager, who has exceeded her allotment. She's a part-time employee. And so I have to rush through this presentation so we don't go over her time limit.

But we have a great group here. And it comprises not only representatives from first responders, the hospital, those who survived, family members from those who
did not survive. This is a pretty diverse group including representatives from the City and the County. Because, as you know, the City and the County have been just great partners in getting us to this point.

Go to the next one please.

We've had a mission and a vision to be more than a memorial. This is about bringing people together. That was the mantra of that week when President Obama came here to talk to us. This is our opportunity to bring a lot of things together, including the City and County who, as we know, don't always play that well together. We are one of those catalysts that bring a lot of things to a focus that fortunately has landed in downtown Tucson.

Next slide.

The great event for us happened this January when the County and the City came together and passed a joint resolution. Because as you probably know from all the coverage, we did not have a location. Even though the shooting took place at Safeway and a lot of the lives were saved at the hospital, those sites did not make any sense.

We struggled with many of you and other community leaders, downtown leaders, to try to find a site. And, finally, in January of 2014, we landed in the most miraculous site you can ever imagine. And the City and County came together on that, passed joint resolutions, and
we had a press conference to inaugurate and celebrate that.

Next side.

So Pam's going to talk a little bit about the meaning of the memorial and why we're here.

MS. SIMON: Good afternoon. Everyone of you remembers exactly where you were when you got the news about what had happened on January 8th. And at the time you were getting the news, I was being rolled in to the back door to the emergency room. Very thankfully, had some of the best medical care possible. And I am standing here today because of that.

But I have another moment that really stands out. And as you look at that memorial that sprung up spontaneously -- the first time I saw that, was when my family wheeled me out on a wheelchair to the balcony of the cancer center. It was evening and I looked down. The candles were lit. A violinist was playing. Gabe Zimmerman's bicycle group was winding its way out to do a memorial ride with their lights lit. And it absolutely hit me that I was not alone. My family and I were surround by community. It was an absolutely beautiful moment for me. And what I realized also is that the community needed do that. They needed to come together to grieve. They needed to come together to ask what was next.

And come together, we did. Other cities have
contacted the Foundation to ask why we were different. Tucson was very unique in our response. There was a lot of anger. I know all of you must have heard it from people but not a fire was set, not a brick was thrown. The response was to come together and find out how can we make something positive come out of this horrific event.

And leaders and community members came together. And out of that, came a group of people that decided to start thinking, very early on, about how do we want to remember this? How do we want to commemorate this really tragic day in Tucson?

And we were advised and we did due diligence. We talked to many other cities that have built memorials around a variety of tragic events. And one of the shining examples for us was Oklahoma City. And I am hoping that you can see the numbers up there. Because as you can see, it turned out that this memorial was more that a gathering place. It became a gathering place for the nation. And people come there, thousands and thousands of visitors every year.

This evented happened and the bombing happened on April 19, 1995. And it was the largest terror attack, domestic, on American soil. It was a huge event in American history. People came together. And this is a much larger scale than we are planning on. But they raised $29 million. What's interesting is 60 percent of that was privately
funded. And they've just gone through a large refurbishment process.

But they also were at a unique place in their history. Their downtown was in decay. They -- businesses were moving out. I know some of you have been to Oklahoma City to visit this site. They, somewhat like Rio Nuevo, had started a program. They had raised over a billion dollars to do a massive refurbishing and revitalizing of their downtown. And this memorial turned out to be an opportunity for economic growth that they had -- that exceeded their wildest imagination.

Thank you.

Another one that we talked to, we had a lot of phone conversations, some private trips were made by individuals on the memorial foundation board, Shanksville Pennsylvania. This is different in that it was rural. It's quite a ways from an urban center.

It's to memorialize the tragic Flight 93 that heroically was diverted. We think it was on its way to destroy either the White House or the Capital, ended up crashing. And it took them a long time to -- even though it was very site specific -- to come up with the site.

And the numbers just -- I actually rechecked them after Stephen showed me this slide. 300,000 people or more, every year, visit this site. Which means they come from a
long way away. Visitor spending, in the surrounding area, they estimate it to be in the neighborhood of over $17 million. It was a job creator as well.

So it has -- it's a unique thing, that people go to memorials. And we have heard from the Visitors Center that people will make calls -- and this really surprised me -- they want to know where the Safeway is. Where was Gabby's office? Where is the hospital?

They want to make these visits. So it reminds us of the ripple effect, that it just didn't happen to our community. This event touched lives all over the country.

So our memorial plan is three parts. The first one is an exterior place that Stephen alluded to. A perfect place, an absolutely perfect place because it is reminiscent of Congress on Your Corner.

Congress -- and I've been to almost all of the Congress on Your Corners from the time Gabby was first elected. I came on staff very soon afterwards. And I remember we were very excited at the first one because we weren't sure how this was going to work. And I got goose bumps looking at the line of people, young and old, different political parties, different walks of life.

And they represented the truest form of our representative democracy. They lined up in front of a Safeway, in front of a library -- we went to towns all over
southern Arizona -- to talk with their elect representative. So what better place than to put it right here at the heart of the Tucson government.

CHAIRMAN McCUSKER: You might just dwell there for a minute because I'm not sure everybody understands exactly the site you're talking about. It's the current Roy Place building that houses the County Courthouse.

MS. SIMON: Yes.

To clarify, the historic domed courthouse. And it will be the side that faces Presidio Park. And there is a space there. Stephen will talk more specifically, with maps.

MR. MOORE: Where the library is?

MS. SIMON: The opposite side of the lake.

CHAIRMAN McCUSKER: Where the County Courthouse is now.

MS. SIMON: So this will be on the --

MR. BRIGHAM: We've got a slide we can show you.

MS. SIMON: Yeah. With maps and everything.

A second part of the memorial is an interior space that will tell the story, and in partnership with the County and with the art museum, with proposed spaces inside that we will have a room or a space that will be the place where we can tell the story of what happened, the historical components.
I'm a retired schoolteacher, so I like to envision 50 years from now, maybe even more, a young teacher who hasn't been born yet will be leading a field trip down to this location. And it's my great hope, and I'm sure yours too, that those children will take away some lessons that they learned from our stories to make their Tucson, the Tucson that we won't get to see, but to make their Tucson better.

CHAIRMAN McCUSKER: Mr. Moore will still be here.

MS. SIMON: Yes, we can count on that.

Thank you. Next one. Next slide.

And the third part is an incredibly important part. Tributes were left, spontaneously, in front of the Safeway; in front of the hospital; and in the corner of Gabby's office.

In addition to that, I stayed on at the office until it -- Gabby's office officially closed, so a year and a half. And there wasn't a day that went by that somebody didn't come in with a book that they thought might be helpful -- or one gentleman, retired soldier, brought in his purple heart because he wanted to give that to the congresswoman. Sometimes things were brought in that people had made just to show their healing process because this opened up grief for people in many, many ways. Thousands and thousands of candles.
And we've -- the Foundation board has hired a professional archivist that worked along with a group of volunteers under the leadership or Emily Nottingham, Gabe Zimmerman's mother. And there are over 38,000 items including cards and letters and posters made by school children.

We can go into more detail about the disbursement of these items. But some of these will be used in the display in the next month at the historical society. They are used often for displays on anniversaries at the library. And it's very, very important that we keep these pieces that are going to help us remember and understand how the community came together.

The other portion is the oral history. And it's important to save those stories and to hear those firsthand, stories that will be lost if we don't save them. Already, the Foundation has started with interviews, video interviews, of those that are survivors, those that are family members of victims, the medical personnel, some of the bystanders that day. And we'll spread out because there are more and more stories.

And I think that a future Ken Burns is going thank all of us, that as a community we had the foresight so save those first person stories. Unless Mr. Moore can be here to tell the stories, because he'll still be here.
MR. MOORE: I may be here.

MR. BRIGHAM: So let me get into some of the specifics. I'm not going to take a lot of time. And I believe Jannie Cox is online and has copy of this. But we were introduced, when we started looking at downtown, at how things connect. And there's a term referred to as Stravenue. I'm not sure if it's a still-active term. But the idea of connecting a lot of important places downtown was really important to us as we were sorting through the options for where we could place a memorial.

Orientation of where we are is right here. The Convention Center, this has a connection, of course, to the Museum of Contemporary Art. We've talked about the Eckbo amphitheater, the fountains, this importance necklace of activity. And then come through the bridge between the County complex and El Presidio Park which is up in here. This is the opportunity to create or recreate and enhance, really, a jewel at the end of all this pathway.

In more detail, this is the park. In all candor, it probably was a wonderful park at one point. It's gotten a bit messy. There's sculpture that's landed in different places. The City and I believe the County has struggled with where the memorials go, where the statues go.

And we didn't want to contribute to that. We wanted to provide a vision for the park, which is really
Tucson's central gathering places where Tucson Meet Yourself lands and many other community activities.

We saw our responsibility to give the City, give the County, give you a vision for how this whole area -- and that's what the white line envisions, is a vision for this whole block. How does this all come together? And then once we have that vision, what is the detail for the memorial? Which would be approximately located in here.

That doesn't suggest that that's the size of it. That's the detailed area for where we want to focus the design work for the memorial.

The other thing I'll just mention while I have this slide up here -- because, as I mentioned, this is really an exciting day -- we just got a letter from the City of Tucson who wants to make sure that we are doing more than just providing a vision for this park. They're willing to complete the master plan. So concurrent with our work, they're willing to fund a portion of what's required to take the vision and then -- and then create the detailed master plan for this whole thing. So we just got that letter as I was sitting here and a pretty exciting thing.

So does this help the Board members understand where we're located? It's really on the historic entrance to the courthouse. Everybody thinks the other side is the entrance. This is really the entrance that is off of Court
Avenue. That's where we are going focus our attention.

You can see another perspective of it here. A lot of opportunity, obviously. And I'm not going to get into all those detailed opportunities, but you can see it just by walking around. I think this picture is informative in the lack of people that you see there. We have an opportunity.

TREASURER SHEAFE: Can I ask a question? You know, already, there is both a World War I and I think World War II memorials there.

MR. BRIGHAM: Yes.

TREASURER SHEAFE: If you are planning to go out for a competition and select somebody, do you have any ground rules as to how you honor the memorials that are -- already exist?

MR. BRIGHAM: That's a great question. And it's one of the challenges we put into the request for qualifications, that we are not in a position to say this memorial is more important than that one. But I think a talented designer coming in -- design team coming in to this environment will say, the Battle of the Bulge is a great event to celebrate, but it's placement may not be the best placement. It landed in essentially a planter. It's probably not the best place to celebrate the Battle of the Bulge.

So I think there's some opportunity. And we're
counting on that design team to advise us on how this can all come together. We know we might be treading delicately on existing elements there. But that's part of our job, is to bring some vision to this.

Does that help to answer some of that?

TREASURER SHEAFE: Yep.

MR. BRIGHAM: I just includes this slide only because it shows what we are all dealing with, all the elements that are there. So great opportunity. Don't need to spend a lot of time on it. As you know, this is a connection between City Hall and eventually the County leadership at the courthouse.

Here's some of the details. I hesitate to go through all this. I want to see if you have any questions. But this essentially outlines what Tucson Pima Arts Council has been working on for us to put out the request for qualifications.

So I did insert the number that we have here. We have 60 proposals. The rough schedule is that we hope by this next anniversary date we can announce publicly who that designer is and at the next anniversary date, have the design complete -- this is assuming successful fundraising -- and having a grand opening.

And remember Pam's summary that there are three parts to this memorial. We're talking about Part 1. Part 1
is the exterior part of this. Part 2 will be part of the
Pima County bond proposal or part of the -- that building's
renovation budget. And Part 3, we're already working on,
which is all the oral stories, the archives, and everything
else. So this is really about that one exterior piece.

The budget that we are asking for help with is
this $150,000 cost for putting -- paying for the proposals,
the designer to do the master plan vision, and the schematic
design. You can see the breakdown up there.

Right now, everybody asks us, how much is this
memorial gonna cost?

We bookmarked a million to $2 million which is
considerably more modest than the other memorials we've
shown you. I think it's at the appropriate scale.

However, if we get a really fabulous designer in
here, the next Maya Lynn that did the Vietnam memorial, that
really excites our community in a way that says, we are
willing to fund this to the greater level, then hopefully we
can boost that. But that's what we're putting out there
just for initial discussion purposes, of what our memorial
could be, on the outside.

A lot of support -- a lot of support here from the
Downtown partnership here.

Thank you, Michael. I think you're still here,
appreciate that.
The newspapers have been terrific. Fitz, I think, has done almost everything but design the memorial. Some great cartoons. It showed up in the Tucson in 100 objects. A great responsibility there to be a part of that. So great local and international support. In fact, while I was just sitting here, I learned that NPR is trying to get ahold of us to do an interview because they know the deadline for submittals was yesterday. They want to know the results of this meeting. So a lot of international, national attention to this.

So --

MS. SIMON: I didn't know whether I should sneak up or just let him keep talking.

Really, all I wanted to say is, as the board as worked, we have met with community leaders. We met with group across the community. There seems to be a lot of enthusiasm because people see this as not only necessary -- how could we not commemorate this -- probably, sadly, this historic event that may never be surpassed, this was a moment when all the eyes of the world were on Tucson.

And we need to commemorate this for a whole variety of reason. In large part, for the community itself. Because once again, we want to commemorate the spirit. And the site is perfect. The location will say something about echoing that theme of Congressman on Your Corner and having
access to government.

But more importantly, and many thanks to all of you, because the downtown has begun to come alive again. And I can give you an example of that. Have you tried to get an ice cream cone at the HUB at eleven o'clock at night on a weeknight and seen a line come out the door? This is actively like we haven't seen in a long time. And we believe that we have an opportunity for this memorial to be part of this revitalization.

One of the obvious things is that we will be able to go to the community at large once we have the rendering, once we have the drawing that they can get exciting about. So we have visions of every school child being involved in this process. So that's -- we're moving. We're -- we're close to next step -- which is choosing the designer, getting the design -- and then going to the broader capital appeal to the -- to the broader community.

MR. BRIGHAM: So that's -- so those are our slides.

CHAIRMAN McCUSKER: You have a specific ask of us, so go through that.

MR. BRIGHAM: We are suggesting a half funding of the $150,000 cost of the RFQ. We thought that that would be a fitting commitment of a community organization such as yours which is a central downtown planning redevelopment
authority. If that's the right phrase.

TREASURER SHEAFE: Let me ask you about that because in your documentation you're proposing that the actual preparation is about a $90,000 expense. And then you have some $5,000 chunks in there because I -- I don't know how many finalists you plan to have. But it would seem to me, two or three would be sufficient. And you're trying to get those people to invest enough time and money that you can actually make a selection between them. So you're talking about a budget to design this thing and get your -- the foundation of it down of somewhere around 105,000 at the most.

MR. BRIGHAM: We were budgeting --

TREASURER SHEAFE: So what would be our participation if we were to provide some seed capital just to get this going without taking on the whole burden on our side?

MR. BRIGHAM: And, again, we're not asking you to take on the full burden. We were budgeting that we might have five finalists because of the amount of attention that has come to this, five finalists that would go through an additional preliminary process in sketching and design work. And then we would select from those five finalists. So that's where the -- that --

MR. RITCHIE: I think it's outlined, Chris. Isn't
it -- the full 150,000 is outlined in the document.

TREASURER SHEAFE: Well, the design element that I read was 90,000. And then there was additional financing.

Did I misread it?

MS. SIMON: Some of the -- some of the cost will involve and will be dependent on who the finalists are because they will be brought in so that they can physically see the site. That's going to be essential. And so the $5,000 is allocated to bring in -- it could be three, it; could be up to five. It doesn't mean that they will choose five.

MR. RITCHIE: Could we make an amendment that we could give up to 75,000, but it would be half of whatever the amount turned out to be?

MR. BRIGHAM: I think that's a great idea. We can't -- we're looking to you, as our downtown planning group, to show a community support for an important downtown project. And so, you know, however you want to weigh in on that, we were suggesting a half cost.

And if our costs are less, I think that makes sense. I'm not -- I'm not conferring with my board who is behind me who may chastising me later. But that seems to make some sense.

SECRETARY IRVIN: Steve, discussions with the City, I know you guys are cued up to be in the bond,
hopefully you will be. That's obviously taxpayer money.

But has there been a discussion with the City and the County about, you know, maybe everybody pony up 50,000? Has there been any kind of discussion like that?

MR. BRIGHAM: I think that's where the City came forward and recognized the responsibility because this is their Park to maintain and is responsible for it. So they want to see that we complete our work. So that's where they're coming forward to help with that. So that's their contribution.

The County has been contributing in other ways.

I'm not here to say that we have every single dollar divided in the right way that it should be divided. This late contribution from the City was -- was a good thing for us.

MR. RITCHIE: Isn't the County providing the building?

MR. BRIGHAM: They're providing the building; they've folded us into the bond proposal; they are committed to helping pay for the interior portion of the concept; and if that bond is successful and the budgeting is successful for the renovation of the building, they may be able to contribute even more.

SECRETARY IRVIN: So if we kicked in 75,000, where would you envision from the other half to come from?
MR. BRIGHAM: From our -- from our efforts through private fundraising. We've got grant proposals out there. Michelle's been very active beating the streets for public money, perhaps from the State.

But we're -- remember, we're a volunteer group that's just trying to get money in the door as best we can.

So we're --

Yeah. Go ahead.

MS. SIMON: One of the grants, we did hire a grant writer and have done extensive grant search. One of the grants submitted is the National Endowment for the Arts. This seems to be a perfect fit in one area of their advancementship. We asked for $50,000 that would help support the RFQ process. And we will find out in April. It will pay out in July. But it would help us with that $90,000 commission that will go to the selected artist to build out the design.

CHAIRMAN McCUSKER: Mr. Sheafe?

TREASURER SHEAFE: Let me make a suggestion. It's a little different than what you're suggesting. And part of this is self-serving because we have to set a process here that we can live with because you're going to be part of a long line of people coming and talking to us about a lot of different things.

What you really need to do is get to the point
where you understand what the vision is. Right now, you're trying to find the person who can get the vision put together for you and you can select that one so you at least know that vision is, right? And then you can work with that one person.

All right. So let's assume you have four finalists that you've selected. Say, of these four, we're going to -- hopefully we can find that vision amongst these four.

You need 20,000 for that. So I'm going to make a motion that we seed this thing for 20,000 to start with to get you to the point where you have a vision so you can sell your story.

Now, I want to caution you about one thing. I sit on the bond committee. And I'm very familiar with this coming in. Well, we have a bond committee that's got about -- we don't know, but we think it's about 650 million of advance on the bond. And we have about a billion-six of programs like yours that are being -- so that billion-six is going to get pushed down to about 650 million. And there's some very big elements that are already there. So it's a long ways from getting approved at the County bond level. I just want to say that.

But you need to get something started. And that's what we can do with some of these Rio Nuevo dollars. So
having said that -- if you'll allow me --

MS. SIMON: Oh, I'm fine.

TREASURER SHEAFE: Yeah.

-- I just would like to put forth the motion that
we start with --

MR. RITCHIE: Well, hold on. We've got a motion.

Well, I thought I was making a motion earlier.

TREASURER SHEAFE: Oh, I'll back off, then.

MR. RITCHIE: Yeah. And the reason -- if I can
get back to my -- I think I've been pretty frugal with our
public dollars.

And I totally understand where you're coming from,

Chris.

I think that this is such an iconic or it was such
a -- like you said, no other group that's going to come in
front of us I think can appeal to the emotions of what
happened on this one event.

So I think that my motion kind of does what your
motion is alluding to, that we offer up to $75,000, but keep
it half of what they're asking for. So if they only have to
pay 90,000, we're only paying $45,000.

So my motion is to grant them the seed money, up
to 75,000, cap it at half of what they are willing to pay.

So that is an official motion that I'm going to throw out on
the table.
SECRETARY IRVIN: So just so I'm clear, so you really are requiring match.

MR. RITCHIE: I'm requiring match, yeah.

CHAIRMAN McCUSKER: This motion, to paraphrase, is that we would cover half of their expenses up to $75,000.

SECRETARY IRVIN: I'll second that.

CHAIRMAN McCUSKER: Mr. Moore?

MR. MOORE: Yeah, I mean, I think the project is very worthwhile, and I support the project. But this is a lot of money. And I think there's a lot of parts to it that, in my own mind, I have to sort out. And I would like to have an opportunity to -- maybe we pose this for our next executive meeting and try to -- and discuss it and see maybe there's some other avenues that we could be helpful and also maybe in supporting sources of funding for this project.

But just to come up with a number and say, well, we'll approve half of it or matching funds, I think that's a little premature. This is the first time I've heard about the project. I think it's a valid project. But I'm concerned that we shouldn't be making decisions like that without thinking about it and talking amongst ourselves. We've had very little -- it's hard do that in a public meeting and sort of understand where everyone's coming from.

So that's my only comment.

CHAIRMAN McCUSKER: Well, we can't talk about it
in exec unless we only discuss the legal ramifications of it. Unfortunately, we're stuck dealing with it in a public meeting.

What's the timing of this from here? What are you doing next? When do you -- you know, when do you need the money, basically?

MR. BRIGHAM: So we are right there. We have 60 teams that have applied. We are trying to schedule the meetings of the selection panel through Tucson Pima Arts Council. So pretty quickly, we're going to start to get into a situation where we need --

CHAIRMAN McCUSKER: And did I read it right? The winning person that's selected gets a $90,000 stipend, is that part of what was advertised in your --

MR. BRIGHAM: Right. And that's separate from what Mr. Sheafe was talking about, that initial funding to winnow down, whether it's three, four or five finalists.

CHAIRMAN McCUSKER: The bit that you're missing is the finalist gets a $90,000 grant.

TREASURER SHEAFE: Well, what I'm -- and let me just try to reemphasize the point. What I'm trying to say is, you're at Stage 1.

MR. BRIGHAM: Right.

TREASURER SHEAFE: At Stage 1, you really need the catalyst to get going, which is simply to find the one you
would select if you had the $90,000.

CHAIRMAN McCUSKER: Mr. Hill's about to call for
the question.

MR. HILL: I'm willing to discuss the issue.

CHAIRMAN McCUSKER: Oh, okay.

MS. SIMON: I did want to say that we actually
feel farther than Stage 1. There has been -- we -- we have
raised, independently, $150,000 that's been used to bring us
to this point.

The process and the numbers decided, such as the
90,000, have been very carefully deliberated. And we've
relied on TPAC who is -- is doing this process. So it's --
I want to assure you that it wasn't kind of pulled out of
the air, that there's been a lot of thought, lot of
deliberation, we feel, beyond the seed.

There's been community members that have given
towards the seed money. And we are really now at a launch
where we need to be able to have the resources to call these
finalists in. And it could be two finalists. But we need
to have the resources to bring in up to five finalists so
they can look at the site and come up with the best possible
design.

And down the line, I think there will definitely
be return on the money.

CHAIRMAN McCUSKER: Okay. We have a motion and a
second. The motion is --

Mr. Hill, go ahead.

MR. HILL: Mr. Chairman, I just wanted to discuss the issue. Similar along Mr. Moore's viewpoints, I've written down a number of items that need exploration or are not clear or even not appropriate.

At the legislature, we had the Vietnam War Memorial. The legislature allowed that to happen. But we did not fund it. In 12 years, I don't believe I ever voted for any funding of a 501(c)(3) entity. We allowed them to build stuff in Wesley Memorial Park. And they raised the money.

So I'm somewhat flummoxed that a group would come before us and ask for money -- and it's State money; it's not City of Tucson or Pima County's money -- to fund a memorial on land we do not own, not linked -- they got that excerpt of the quotation in here about downtown, that means also private money, how this helps us attract private money, would share in tourism, what have you. That also escapes me.

Itself can fund it. It may do that. But it's part and parcel of a continuation of taking money from the state taxpayers for boondoggles. If they build this thing and it has a plaque and it says, Rio Nuevo, 50 years from now people are going to say, oh, that must have been part of
that $260 million.

We have a terrible reputation. We should not continue it by giving state taxpayers' money to 501(c)(3)s. Let them go out and make their own money.

Now, if we have to approve this because it was our land, that's a different story. But it's apparently Pima County's. And I love the Pima County's feel good resolution. We did that all the time. I -- we did it too, make the taxpayers think we're doing something we're not.

But there's no money in this. Clearly, Pima County didn't put any money in it. The City of Tucson isn't doing it. So who's the next patsy on the list? Rio Nuevo. In fact, they gave $260 million away. What's 75,000?

Well, you might be able to do it. But,

Mr. Chairman, not with my vote.

CHAIRMAN McCUSKER: Is there any way our money could be conditioned on the City's and County's investment?

The timing doesn't really work, right? Because you're trying to advance money to your designers which is what you're raising.

The County's -- I mean, really, the County hasn't done anything. You've got a proposal that would go before the Bond Commission. The Bond Commission has to approve it; the board of supervisors have to approve it; and ultimately
voters have to approval it.

So to Mr. Hill's point, there's not going to be any County investment until such a time as the voters approve a bond. But there's no way for us to match anything they're doing and help you.

Is the City investing any hard dollars, or are they offering you --

MR. BRIGHAM: No.

CHAIRMAN McCUSKER: -- the use of their plaza, again, subject to the bond?

MR. BRIGHAM: Well, for the City, they are committed to the master plan, the cost of completing the master plan.

And, Michelle?

MS. CROW: They're committing $30,000 towards this project.

MR. BRIGHAM: 30,000.

I can't speak to how much the County is contributing because they are offering the land and -- and it's a complicated ownership issue here, as you can imagine, where the County owns the land underneath the park that --

CHAIRMAN McCUSKER: Is that commitment subject to the bond, or are they prepared to . . .

MR. BRIGHAM: No. That's what the resolution --

MR. MOORE: Are they going to give you access to
that whether the bond passes or not?

MR. BRIGHAM: But to Mr. Sheafe's point, the bond proposal is not firm. We cannot count on that. And it's very hard for us to fundraise without any type of a vision that we can show people, this is what it's going to look like, and this is what it's going to cost.

We're really caught in a situation where we've got great community commitment -- and I'm using the broad term of community, city and county -- to say this is where Tucson, Arizona's memorial in January event should be.

MR. RITCHIE: Mr. Chairman?

CHAIRMAN McCUSKER: Go ahead.

MR. RITCHIE: You can call the vote. But I just want to -- I want to kind of defend my motion because when I joined this Board, I, like many of you -- and I can understand where you're coming from, Jeff -- but there was $8 million spent for one project and 3 million and 5 million. And I wanted to put an end to that.

And so I thought the whole purpose of Rio Nuevo was to unite -- get people to come downtown. I think this will accomplish that and then create additional TIF dollars, because if people are coming downtown, they're eating at our restaurants and are spending money in other businesses.

So I've seen lots of money spent on lots of different projects. And I think if we could limit it to
X-amount of dollars, we're being fiscally responsible. And I would hope that the City and the County, in good faith -- and I know that's something that they haven't done in the past, but I think we're well past that point, were things have been moving pretty well -- would honor this very sad day in our history and, like you said, make something good out of something bad.

That is defending my motion.

CHAIRMAN McCUSKER: Mr. Moore?

MR. MOORE: Well, I mean, again, I think there are a lot of facets in this project. I think you've heard a lot of opinions here. And I'm having difficulty figuring out what's the best strategy and what's the best way to finance the program. And I think we need to figure out how to sit down and talk about it as a Board.

I don't care -- I don't know what the vehicle is as an Executive Committee on why we can't find some way of discussing it, whether it's a legal matter or whatever. I think we need to sit down and talk.

CHAIRMAN McCUSKER: We can do it in a study session. We can do it in an open study session. What you have to do is offer an alternative motion to table it so that we could study it. And if he would withdraw his motion, then we could vote on that one.

But right now, we have a motion and a second.
MR. HILL: Substitute motion, motion to table.
CHAIRMAN McCUSKER: All right. Substitute motion.
You move to table.
Is there a second to that?
TREASURER SHEAFE: I'll second that.
MS. COX: Second.
CHAIRMAN McCUSKER: Okay. So we have a substitute motion to table the item.
Mr. Hill, help me out. We have to vote on that, right?
MR. HILL: Yes.
CHAIRMAN McCUSKER: All right. So, Michele, call the roll.
MS. BETTINI: Cody Ritchie?
MR. RITCHIE: No.
MS. BETTINI: Jeff Hill?
MR. HILL: Yes.
MS. BETTINI: Mark Irvin?
SECRETARY IRVIN: No.
MS. BETTINI: Chris Sheafe?
TREASURER SHEAFES: Yes.
MS. BETTINI: Alberto Moore?
MR. MOORE: Yes.
MS. BETTINI: Jannie Cox?
MS. COX: Yes.
MS. BETTINI: Fletcher McCusker?

CHAIRMAN McCUSKER: This is the motion to table, right?

Yes.

(The Board voted and the motion carried.)

CHAIRMAN McCUSKER: Okay. So we didn't say no. But obviously we've got to do some more work. And we've got to find a way to do that that allows the public to participate in that process.

So what we may do is try and have a study session or something where we can sit down with you and understand in more detail exactly -- and I think some of the things you've heard today are, what happens if the bond doesn't go through, and what other organizations are making commitments, and . . .

MR. BRIGHAM: Mr. Chairman, do you have a sense of timing?

TREASURER SHEAFE: Do you think we could put that on the 17th? We've got a meeting coming up fairly quickly. Because I know you're trying to get things moving forward.

CHAIRMAN McCUSKER: Sure, why not.

TREASURER SHEAFE: So we'll press ourselves to get you back in front of us.
MR. BRIGHAM: Appreciate that.

CHAIRMAN McCUSKER: So the motion to table is passed. And we'll do some more work with you.

Mr. Moore and Mr. Hill, thank you very much.

MR. BRIGHAM: Would you please just let us know if there's any additional materials that you'd like us to provide for that. We'll try to anticipate some of the questions.

CHAIRMAN McCUSKER: All right.

MR. MOORE: Mr. Chairman?

CHAIRMAN McCUSKER: Mr. Moore?

MR. MOORE: I would like to see if you have a list of people that have already made a commitment to contribute to the program. It would be nice to have that list. It can be confidential. I don't know. You know, however you want to do it.

MR. BRIGHAM: I've got a summary. But maybe not individuals, but . . .

MR. MOORE: Well, you know, something so we know that we're -- that there's enough people in there that are riding along with us.

TREASURER SHEAFE: Well, let me ask a question. Am I allowed to ask a question?

CHAIRMAN McCUSKER: Sure you are.

TREASURER SHEAFE: Well, at least I'm checking.
CHAIRMAN McCUSKER: You have approval.

TREASURER SHEAFE: You have your finalists, 60 -- or you have your proposals from 60. There's nothing stopping you at this point, between now and the 17th, to begin refining that down to who your three or four or five, whatever the number is, of that finalist group. So that work has to happen. You probably would take that much time to get that work done anyway, correct?

MR. BRIGHAM: I'm looking at my colleague from Tucson Pima Arts Council, Mary Lu. I think you're correct on that. But the other thing that's important for these people that put together the time and effort to put a proposal together, they want to have a sense that we, as a community, are committed to this project. So as quickly as we can, I'd like to show that there's a broad base of support.

TREASURER SHEAFE: Okay. But you already have that portion of it. So you can make that selection with what you already have.

MR. BRIGHAM: Right.

TREASURER SHEAFE: So on the 17th, you can be an awful lot more specific, we've got these proposals. We would like to now fund this to the point where we can move forward.

CHAIRMAN McCUSKER: And to Mr. Hill's point -- I
think he's the conscience of the Rio Nuevo -- is what our interest would be is return on investment.

You've appealed to our emotional -- why wouldn't we fund this project? But in the cold light of day, what's the return on these state tax dollars?

I believe there can be economic benefit from this. You'll attract visitors. You know, if we can put some meat to that, then I think we have a better understanding that we're investing in something rather than just making a donation. And I think that's the challenge some of us members are at.

MR. BRIGHAM: All right.

CHAIRMAN McCUSKER: Okay. We'll see you back. We'll confirm that that date works, and let us know if that's a problem. It's a morning meeting. So right now, it's scheduled for 9 o'clock. But we can have a study session.

MR. BRIGHAM: Thank's for your attention.

CHAIRMAN McCUSKER: Thank you very much.

MR. BRIGHAM: Thank you.

CHAIRMAN McCUSKER: All right. Mr. Keith, you get to follow that. So good luck.

Just as a preface as Michael comes up, we committed to $750,000 dedicated to Downtown Streetscapes in the City settlement. With the legislation that passed in
July, we're now free to expend those funds. It's obviously challenging for us given that we don't have the staff or people or wherewithal to do that.

We've asked Michael from the Downtown Partnership to make a proposal to us that would maximize the use of those funds. Mark and I have gone back to the settlement agreement. Anything we do or they do does require a City approval. So we can't go plant a tree without the City concurring that that's the tree they want to plant and where they want to plant.

So this is the probably a tri-party challenge, even though there's a settlement agreement in place.

And, Michael, you have a very specific proposal.

I might mention that the Downtown Partnership is currently responsible for our Streetscapes. All the work that you see Downtown -- whether it's planted in the planters, trees that suddenly appear, painting of the curbs, power washing the streets, the extension of the sidewalks -- that all rests currently with the Downtown Partnership. So Mr. Keith knows more about our Streetscapes than probably anybody in the community.

So, Michael, introduce yourself and launch away.

MR. KEITH: Thank you.

My name is Michael Keith. I'm the CEO of the Downtown Tucson Partnership. I'm speaking loud because I
think Jannie is having problems hearing.

Jannie, can you hear me?

MS. COX: I can hear you. Thank you.

MR. KEITH: You're very welcome.

I'm here today with Chris Kaselemis, the program manager for the Economic Initiatives Office of the City of Tucson.

Chris?

MR. KASELEMIS: Right here.

MR. KEITH: Thank you.

With Jason Kuklinski from Norris Design. And from Elaine -- with Elaine Becherer who you all know very well from the City manager's office.

We're here to present a proposal on streetscape improvements for Downtown Tucson.

CHAIRMAN McCUSKER: Give us a minute to get it up.

MR. KUKLINSKI: Do you have the jump drive, Michael? Apparently it's not showing up.

MR. KEITH: No. I actually went back up for it. I was halfway down the hallway and I realized I didn't have it in my pocket.

MR. HILL: Do we have some pictures?

MR. KEITH: Yeah. You've got it -- you've got some of this. I think it's a little bit better . . .

So while they're looking for this, let me tell you
a little bit about the Partnership. The Partnership has been contracted for the last 19 years to -- I'm sorry -- for the last 15 years to be the provider for the business improvement district downtown. We're charged as acting as a catalyst for the redevelopment of downtown. We do Clean & Safe, all the maintenance and the security. We do economic development, festivals and events, advocacy, and marketing and PR for Downtown.

Let's see if we can get caught up on our slides here.

The Partnership, like many BIDs across the country, has taken a very active role in trying to define downtown Tucson through its streetscape and its public spaces. In 2007, we quarterbacked the infrastructure and streetscapes study, a 200-and-something page report that we put out in a hundred days with $40,000 of Partnership money. In that study, was about 60 pages of a block-by-block analysis of Downtown Tucson including its streetscape plan.

If you see the photo in front of you, the one up on the screen, that is a Rob Paulus design showing the Congress at corner and -- at Fifth. But that was a level of finish that we had proposed in 2007. A $53-million contract with Archer Western was initiated because of the study that we did. And the Scott Avenue streetscape which you can see in the slide here -- not very well; it's a little dark --
was the results of that -- that study and the subsequent contract to Archer Western.

The Partnership was the lead on that project along with the City of Tucson.

Next slide.

Actually go back one, Jason.

In 2012, the other slide that's on there is the Toole Avenue streetscape improvements that was led by the Partnership. We brought 20 organizations, including the City of Tucson that we were partnered with, and 120 volunteers on a Saturday morning and planted up two blocks of Toole Avenue, completely landscaped it and art-scaped it. And if you've been down there lately, you've seen it's a lot more lush than this photo.

Next slide, please.

We've also did Jacome Plaza. And when Glenn Lyons, my predecessor was here, he looked at that plaza and, along with Parks and Rec, redid that plaza. And of course, just recently, we also did the beach, which was a pop-up park and beach for $19,000 of privately raised money over on the MLK lot.

Additionally, the Partnership administers the facade program. And to date, we've done eight buildings Downtown including The Screening Room, Chicago Store, and the building that the Providence Corporation is in.
And we continue to work with the City. The streetscape standard for Downtown that was put in during the streetcar construction was also designed be the Partnership in partnership of Norris Design.

A quick word about Norris. I came to Norris with -- on the Toole Avenue project. And they provided their services pro bono for that. They also provided their services pro bono for this pop-up park and helped design the streetscape standard that the City has now incorporated in Downtown.

Next slide.

Of course, I couldn't leave this alone without at least one quote. And I tried not to do this, but I ended up getting up this morning anyway. This is the rock star in sustainable downtown design and streetscapes, Janette Sadik-Khan from New York. I think it's a good quote, better streets mean better business.

It's short and simple.

You were asking about return on investment.

Streetscapes have a direct correlation to economic activity. And that number is anywhere from 15 to 80 percent depending on the city reporting it and what was done. There's -- there's a no better direct correlation than an improved streetscape and economic development.

Next slide.
So when we -- we put a proposal together three years ago that we submitted to this Board on a series of improvements up and down Downtown. And the colored graph you see in front of you shows the different colors of intensity Downtown, the red being the highest level of need and scaling back from there. For this proposal, some of this was done during construction for the streetcar. Some of it was not. And some of it was subsequently done by private developers.

What we identified for this proposal were the four areas that were -- had the highest need. And we excluded areas like the County lot and the Bourn lot, that are going be done with new construction, as well as the site for the new hotel. So the red areas are the -- are the primary areas and you'll see the photographs following.

This is a streetscape plan. It's a little hard to see here. It's actually a little hard to see on your copies as well. This shows Scott Avenue from Pennington to Congress. The reason for this block and starting with this block, this is our highest priority, is because -- well, for various factors.

One, it's completely dark at night.

It's cramped. We've had quite a bit of investment on that street and on that corner. 47 Scott is there. So is another Mexican restaurant. There's Cafe Poca Cosa and
Reilly's around the corner.

This is also an area of intense late night incidents as people come out of the bars and go back to the Pennington garage. We saw an opportunity to also increase traffic to the Pennington garage as well as bringing this street into ADA compliance.

And, lastly, this is the best corridor for connecting back to Pennington. It should be our next street that we see some new vitalization on.

Additionally, the street connects all the way to the Temple of Music and Art. And the streetscape I showed you earlier was that developed in 2010. And this would complete the streetscape going from here all the way to -- to Cushing Street.

Next slide.

This gives you a little closer view. You're going to see this better in the next shot. But you can see the overhead festival lighting and the streetscape done to the new streetscape standards, that would be the brick and concrete that you'll see in a minute; some shade structures; and most importantly, new lights up and down the street. We'll retain the three historic light fixtures there. And we'll be adding two to four new additional overhead lights.

Next slide.

So this is the street as you know it now. Most of
you have been down here. Anyone that's parked in the Pennington garage has seen this. It's narrow. It's cramped. It's not in ADA compliance. And this is what we propose to do.

So the area to the right, you can see the streetscape standard where the woman is walking. You can see bike racks. The entire left side of the picture, the west side of Scott will be bumped out. We will eliminate the parking spaces there.

But further up, as you get closer to Pennington, we're maintaining an area for pick up and delivery area. That's actually a rolled curb with bollards that will allow trucks to come and park, people to walk as many as six abreast when there's not vehicles there. You can see the trees and the overhead lighting and the planters full of plants.

TREASURER SHEAFE: You know, when you add all the landscaping, what is the mechanism that will keep that . . .

MR. KEITH: Yeah. Thank you, Chris.

We plan to actually introduce the drip irrigation on this street, as well as providing electrical boxes at the base of those new trees we're planting so we can bring lights up into the trees. On the new light fixtures that you see, the poster there, we'll also have an electrical box up at the top of that so we can do holiday lights up there.
And then the planters themselves will be on drip systems. But we're currently -- we currently have 160 planters or planting areas landscaped downtown. And the vast majority of those, probably 140 or so, we're hand watering every day.

TREASURER SHEAFE: Is -- but what is the maintenance process that would be set up to keep it going?

MR. KEITH: This would be administered through the business improvement district, through us --

TREASURER SHEAFE: Okay.

MR. KEITH: -- through our clearing site.

TREASURER SHEAFE: -- funding management,

something to keep that underway.

MR. KEITH: Well, anyway, we'll be able to incorporate these spaces in what we're doing now without -- without a problem on what we're doing now. We have the funding for this right now.

MR. KUKLINSKI: Security cameras.

MR. KEITH: Ah, thank you.

And security cameras on those light -- on the new light poles that you see, the one with the banner, there will be two there. Should -- probably one on the other side of the street and one further down. This also allows us to monitor all the late-night incidents of people coming back drunk and going to the Pennington garage.
The second area we identified is right -- just south of this. This is between Congress and Broadway. If you look straight back where those clouds are, that's the section we just looked at. This is next to the Wig-O-Rama space that was damaged in the fire. This is what it currently looks like. We actually get them to paint that building the wrong color, as it turned out, right before the streetcar.

Next shot, please.

And this is what we're proposing here. These are fairly simple changes. We pulled out the old concrete, put in this new -- that is the streetscape standard that we developed and the City has adopted. Plant out the base of the trees, as you see, there instead of crates. And you can see the planters along the building.

I like the fact that Jason came through with this orange color on this building. It's actually probably a good suggestion. And I'll go back to Ms. Kinney, suggest that.

Next one.

This is the Broadway corridor. This is Sixth Avenue -- I mean, Sixth Street -- no -- Sixth Avenue to Arizona Avenue. So right past that banner you can see on your left is where the hotel's gonna start. We're seeing significant investment on this block. We've already had
Thunder Canyon Brewery and Cartel and a new Native American
restaurant just across the street from here. But also on
the left side, there's a new microbrewery. And around the
corner in Arizona Alley is a new distillery.

So this is an area that's seeing a lot of
investment. We'd like to improve the pedestrian activity on
this. And it's the same streetscape standards you saw a
moment ago. I don't know if we'll do anything to the
building that you see on the left there. I think that was a
little artistic touch.

So these are the three primary areas that we want
to redo the hardscape and the softscape on.

Jason?

The next item was a $25,000 set aside for Arizona
Alley. As you know, on the left side, the back of that
picture is where the new hotel is going. On the right side
there, where you can see the dirt, is the parking -- it's a
new patio for Gibson market. Right past that is where the
distillery is going in. And around the corner, on the end
there, is where the new microbrewery is going in.

So we see the potential here for a
bikeable-walkable corridor. And so we've set $25,000 into
this budget to apply to taking down those overhead poles,
but only if the City and Rio Nuevo and the developer can
conclude their negotiations and decide that this is the best
end-use for this corridor.

CHAIRMAN McCUSKER: Where do the dumpsters go, Mike?

MR. KEITH: They're going to go into the hotel parking lot. And that should clear up the street as well. But here's our take on what this could look like. Jason?

This is something that -- this is something that we wanted for so long on the street. I don't know how practical this will be because there will be traffic on here, perhaps two lanes. But I don't know about you guys, but every time I go to a city and find one of these little hidden enclaves that have this kind of activity in them, I'm thrilled to death.

Next slide, please.

In addition to that, we wanted -- we wanted this to be a fully flushed proposal, so we looked at other ways that we might make an impact Downtown, around the convention center, and to the West Side.

So we looked at everything from banner programs -- we'd like to see the West Side have their own banner program, work with TPAC and design their own images. We would like Rio Nuevo and the City to look at the convention center area and design your own set of banners for the convention center and around the convention center, create
your own identity. We'd like to flush out the banners we have Downtown with additional images.

But if you look at these little images here and there, they're pulled from travel slides of mine from various places. These are the kind of things that you always end up taking photos wherever you go and coming back and showing people, oh, look at this cute little aardvark or the -- particularly, like the ones up on the top, the second one from the right. That's actually just a chalk drawing on there. It just looks like it's a floating rug.

But all of these, these aren't up here meant for us to copy as much as what can we do to provide an additional boost throughout the District. So there's a whole host of suggested additional items that we hope to be able to do within this budget as well.

Jason?

This is just more of the same, a little bit more on the amenities side.

Next slide.

So here's the budget. I think you can see it better on your sheets rather than this one.

So right now, since we don't have the benefit of going off the competitive bid, Norris Design did take the latest figures based on the projects they're doing right now and plug them into the first section.
So the larger box at the top shows Scott Avenue, Pennington to Congress. We don't have every detail in here. There's actually some tabs underneath most of these line items. We wanted to give you an idea that this was a full-street renovation. We're going right down to changing the draining on that street, to extending storm drains, to extending sidewalks, to landscaping, to milling and repaving the street.

This will be the most challenging out of everything we've should shown you because of all the hidden and unknown areas underneath this particular section of Downtown. John Wesley Miller's building on the corner actually extends all the way under the sidewalk. Their basin under there. But we feel fairly good about these numbers. But we won't know the exact number until we go out for a competitive bid.

You'll also notice at the bottom of that first section, the 20 percent contingency. So on top of all of the hard costs that we have, and soft costs, there's another $77,000 in contingencies on that one line item alone.

The next two items are the other two sections I showed you, the area in front of Wig-O-Rama and the Broadway area for 33,000 and 58,000. The $25,000 set aside for Arizona Alley. And then, the remaining number at the bottom, $90,000 or so, for miscellaneous things like public
Art, information kiosks. And this is something I did want to pull to your attention.

This was a proposal we had hoped to do during construction of the streetcar. So when you get off the streetcar, you can go to an electronic touch screen, and you can see what's happening up and down the entire four-mile corridor, where the music's happening, what restaurants are offering specials that night, maps, other information.

We'd like to do a pilot program, probably do that right outside the Pennington garage. So as you come out of the garage, the first thing you can do is check and see what's happening. Once you've done the initial install, the systems pay for themselves in advertising. Might even do a second one on the West Side as well.

I talked about everything except for the solar lights on Toole Avenue. As I think Fletcher knows quite well, Toole Avenue is the darkest and probably most dangerous sections of Downtown right now. And we have contacted the solar company that put up the two solar lights at Tumamoc.

At the base of Tumamoc Hill, a company called Nova Solar [phonetic] donated two solar lights. And the Partnership -- one up with Carondelet, and they have installed those two lights. They put out a pretty nice even light, so we were proposing at least three solar lights on
Toole Avenue as part of this.

CHAIRMAN McCUSKER: So, Michael, as you bid this out, would you do it in phases, so the first project would be Scott, Pennington to Congress; so if that comes in at 650 grand, you would -- you would adjust the other projects?

MR. KEITH: Correct. Having Elaine on this team, as you well know since you've worked with her, we'll be able to do this as efficiently and professionally as we can. We will bid this out. We may use the City's procurement -- fast procurement system. But we will get a scope of work, and we'll know exactly what's leftover on this for the rest of the sections.

CHAIRMAN McCUSKER: Mr. Collins, structurally, we would contract with the Downtown Partnership, approve a budget, and then monitor that? How do you envision it working?

MR. COLLINS: Mr. Chairman, Members of the Board, my thought process is that we have a tri-party agreement among the City, the District, and Downtown Tucson Partnership. The City has to approve any of the expenditures -- as you pointed out, Mr. Chairman -- and comply with all of our procurement requirements, City requirements. And to make sure that the resulting process is transparent, and we can follow all the dollars, that would be my suggestion.
CHAIRMAN McCUSKER: Mr. Moore?

MR. MOORE: Yeah. Question. Is there anyway on this street map that you have, I'd like to see a list of the tenants who are users of the property and owners.

MR. KEITH: Sure.

MR. MOORE: Because, you know, I'd like to see where maybe some of them could be participating in this based on --

MR. KEITH: I think the best we're going to be able to get is their agreement that we're going to be doing this work, closing down the street, at least on the one section of Pennington. I think it's -- we're going to need their cooperation. I'm not sure -- we are going to approach one of the building owners about painting -- repainting his building as part of this. But, yes, I --

MR. MOORE: Maybe you're not. But it seems to me that we should have an understanding of who the properties owners are that are going to the benefit.

MR. KEITH: Sure. Yeah. I will get --

MR. MOORE: Obviously, these are all improvements that are benefiting their business.

MR. KEITH: My -- well, it's actually -- yes. You are absolutely right about that. But it's also providing this walkable environment for the 1.1 million visitors that come down. And that's -- that's just for the festivals and
MR. MOORE: But that's to their advantage as well.

MR. KEITH: That's true.

MR. MOORE: I'd just like to know that.

MR. KEITH: Sure. Yeah, absolutely.

MR. RITCHIE: Going back to what you said earlier, they are the ones though that are paying for the maintenance so --

MR. KEITH: They are paying for the --

MR. RITCHIE: -- whatever we do, the businesses that are currently Downtown -- I think that's an important point to remember -- we're not relying on the City of Tucson to maintain the downtown.

MR. KEITH: Right.

MR. RITCHIE: Okay. So --

MR. KEITH: So, Alberto, our money comes from five sources. One is from the enhanced services agreement we have with the City. It's basically their version of the BID. One is the business improvement district with the property owner, the one you mentioned. Another is with the County that gives us in lieu payments.

CHAIRMAN McCUSKER: Their BID is by frontage fee on the revenue? How does the BID work?

MR. KEITH: Yeah. The BID is a formula based on square footage and frontage. It's applied equally to all
the businesses Downtown that are within the business improvement district.

And then our -- we actually have raised, probably by now, close to $600,000 over the last four years from our board members and private donations. So all of that money goes back into Downtown. So it's a really interesting leverage position. Anytime we do anything, we're providing these funds from different places and different --

MR. MOORE: Does parking come into that?

MR. KEITH: Thank you. Because actually I forgot. I wanted to mention that a good portion of our budget is that we have the ParkWise contract to administer all the cashiers, maintenance, and security for all the garages and lots. And so -- yeah. So we're already getting -- we already have a public-private partnership going into this. And it's these kinds of leveraged deals right now that are making Government work, in my opinion.

Yes, sir?

SECRETARY IRVIN: First, Michael, thank you for all your efforts as always.

I've got a question actually for Mark Collins.

MR. KEITH: Sure.

SECRETARY IRVIN: Counsel, if I recall -- and I'm a little fuzzy on this, but I remember we had something in an agreement on some streetscape improvements that we need
to do across the street on the MLK. Can you refresh me on that?

MR. COLLINS: There were several motions made, many years ago, before the legislature took the District. I don't have that analysis in front of me. But they have to do with the -- and just like you say, the MLK Building. And there was several motions on that subject. Does that help?

SECRETARY IRVIN: Well, and I guess my concern with that is, is -- you know, and, Michael, maybe chime in on this as well -- if there is some contingent liability that's associated with that, it would seem like we would want to try to absorb that in this.

MR. COLLINS: I would concur with that. Yes, I agree.

SECRETARY IRVIN: Okay.

CHAIRMAN McCUSKER: The owners have not pressed that, however, right? It seems to be abandoned to me.

MR. COLLINS: Yeah. I haven't heard that recently, that being pressed.

CHAIRMAN McCUSKER: And how do we confirm that? I guess we got to go -- I guess, who's the agreement with, the City or the developers?

MR. COLLINS: It would be a three-way agreement.

I believe it's a -- if there is an agreement, it's three
parties. It'd be the District, the City, and I believe
Scott Stiteler's in it.

MR. KEITH: Before we get too far out here, I
would like our partner here, Chris Kaselemis, to chime in
here as well since I stole the whole show.

MR. KASELEMIS: Thank you, Michael.
And thanks, Chairman and the Board Members.
I just want to get on the record that we've met
several times internally to come up with the projects we
felt, from the City's perspective --

CHAIRMAN McCUSKER: Give the transcriptionist your
name.

MR. KASELEMIS: I'm sorry. Chris Kaselemis. I'm
the economic development director of the City of Tucson.
Sorry. I work for the City Manager's Office.
We've had several internal meetings to figure out
what we thought would be the best impact and the areas of
the greatest need. And we concur with Michael. We've also
had several meetings with him before this meeting. We
concur that Scott Avenue is the area of greatest need.
The Scott public infrastructure's got ADA issues.
It's got safety issues. And we agree that, to pick one area
we could have a large impact is important, and then take the
remaining money -- if there is money; and we think there
will be -- to kind of spread it around Downtown for some
other projects to kind of spread impact around.

And just also to get on the record, again, my area's economic development. And as you guys know, Downtown is important. When we go around talking to companies thinking about coming here, they want to make sure that we have a vibrant Downtown core and improved streetscapes, house -- bring investment to Downtown. We always know that private dollars follow public investment. So this is another example of putting a public investment that will bring additional dollars and additional revenue to Rio Nuevo.

In terms of -- I don't think Michael mentioned this. He kind of did a little bit. But in terms of managing this project, we propose to comanage it with the Downtown Partnership. We're not going to take a fee for that. We're going to assign Elaine Becherer, who you know very well, to be our project manager on our end. And Michael will take care of the Downtown Partnership's end. So I think that it's a pretty dynamic duo to make sure things are done to the satisfaction of the Rio Nuevo District.

CHAIRMAN McCUSKER: Mr. Irvin?

SECRETARY IRVIN: I'd like to make a motion that we put this on our agenda for the 17th meeting to allow counsel time to take just a quick snapshot on the contingent
liability issue that I mentioned because we haven't
revisited it in a long time. And I just would like to make
sure that we're in a situation where -- you know, we know
we're going to spend the money. But I just want to make
sure that that's a piece that's out there that we just make
sure we look at that so we don't overlook it.

MR. KEITH: Could you explain that to me again? I
was only --

SECRETARY IRVIN: I have to go back and look at
stuff. And obviously counsel will have to as well. But we,
somewhere -- I just remembered a document that there was
some liability that we'd agreed we're going to do X, Y,
and Z and spend a certain amount of money on basically where
the beach is.

And so I just -- I just want -- first off, just so
we're clear, I think what you've done is phenomenal. My
only concern is that one little piece. And if we do have
some contingent liability, we -- I just might want to have
you look at that to see, you know, I mean, apart from these,
what those numbers are.

MS. COX: And I would like to just support what
Mark is saying because I do think there's a high potential
that we still have that liability. And I assume -- I assume
that Mark Collins can confirm that before the 17th. And
then we could make a decision based on that information. I
think that's important.

MR. COLLINS: Jannie, Mark Collins here. I can certainly do that.

Mr. Irvin, I will do that.

MR. KEITH: I'm a little confused about what -- how that plays back into these projects which are not on the MLK lot.

CHAIRMAN McCUSKER: The -- it's a settlement that predates the settlement with the City around the Stiteler property and the commitments that were made to him.

MR. KEITH: Okay.

CHAIRMAN McCUSKER: One of the commitments was to improve the streetscape in and around the MLK and the Depot Garage.

MR. KEITH: You don't think the beach was an improvement?

CHAIRMAN McCUSKER: The beach was --

SECRETARY IRVIN: A great improvement, actually.

MR. KEITH: I think we're done.

CHAIRMAN McCUSKER: There's been no --

MR. KEITH: And it was all privately raised.

CHAIRMAN McCUSKER: There's been no subsequent conversation about the District's liability to that. It was made prior to any of us, in fact, being on the Board. And I think I would make a case that they're probably separate
dollars. This is a commitment we made to the City in a settlement. And, you know, if we owe some money to Stiteler's project that may be separate. But I think we need to find that out.

MR. KEITH: So could part of this be that you have to make some improvements around there in concert with what he wants to build or just in general?

SECRETARY IRVIN: Well, you know, I think I -- to be honest with you, Michael, I'm so fuzzy on it because it's been, I think, three or four years since we've -- since I've looked at it. I just can't -- maybe even four years since I looked at it.

I just remember it was something that was out there. It may be completely moot. But I just think, you know, before we make a decision -- and I don't even know what the number is. Let's just say it was $30,000, I'd like to see that $30,000 included in the overall proposal rather than having that thing hanging out there.

MR. KEITH: All right.

SECRETARY IRVIN: So I just -- that's the reason I -- I'm not against it. I just want to make sure that we're making an informed decision.

MR. KEITH: And let me add one more little piece to this because I didn't mention it before. We didn't put a fee in -- an administrative fee for the Partnership in this.
I was going to suggest that if we can pull off the vast majority of this tier in our satisfaction, that a fee be -- a 5 percent fee be added on to this amount. And I think I'm going to wait now to hear what this other settlement is. But I did want to bring that up.

We're in this to make sure that this gets done to my standards and your standards and the City's standards. And we would like it to be a performance-based administration fee. So if we do not perform or we do not make whatever the benchmarks are, then we don't get paid.

CHAIRMAN McCUSKER: And when you look at the renderings, I believe the money that was spent on Scott from Broadway to Cushing was like $4 million.

MR. KEITH: It was.

CHAIRMAN McCUSKER: And you're doing three streets for $750,000.

MR. KEITH: Yeah. It's a different level of everything. It's not as long. And that's actually -- if you compare it apples to apples, it's probably four times the length. We're only doing one side of Scott and only doing one side of Broadway.

CHAIRMAN McCUSKER: It's unbelievably inexpensive, the work that you're doing.

MR. KEITH: Yeah. It's -- well, we'll find out when we're -- when this is competitively bid, we'll know
exactly where --

CHAIRMAN McCUSKER: So we're tabling the item until we get some more information.

SECRETARY IRVIN: I think I've made a motion. And I think, unless I misunderstood Jannie, I think she -- I think she -- I -- my motion was just really simple, let's table this until the next meeting on the 17th, put it back on the agenda. Give counsel time to go and just take a quick look at it, come back and advise us. And then we can make a decision on it in a couple weeks.

CHAIRMAN McCUSKER: Jannie, did you second that?

MS. COX: Yes.

CHAIRMAN McCUSKER: All right.

Mr. Moore?

MR. MOORE: Yeah. Just a quick -- Mike, wasn't that also -- remember when we were talking with the Rialto regarding that alley? Wasn't that alley also --

MR. KEITH: Herbert. Herbert alley.

SECRETARY IRVIN: Yeah. That's Herbert alley.

No. That was -- that -- that's a -- that was a whole --

MR. MOORE: Was that separate?

SECRETARY IRVIN: -- a whole separate issue.

Right.

I mean, it's been so long since I've looked at it,
I just would like to make sure that --

CHAIRMAN McCUSKER: All right. We have a motion to table and a second.

All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: Any opposed, nay.

(The Board voted and the motion carried.)

MR. KEITH: Would you know, is there any other format that you want this or any additional information before the next meeting?

CHAIRMAN McCUSKER: Mr. Moore, who lives where.

ATTENDEE: We'll provide that. Thank you very much.

CHAIRMAN McCUSKER: Thank you, Mike. Nice job. I think that concludes the agenda except for the call to the audience.

Michele, any cards?

I'll entertain a motion to adjourn.

SECRETARY IRVIN: So moved.

CHAIRMAN McCUSKER: All in favor, say aye.

(Ayes.)

CHAIRMAN McCUSKER: See you on the 17th.

(The meeting concluded at 4:43 p.m.)

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CERTIFICATE

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

_________________________
John Fahrenwald