RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

BOARD MEETING

Tucson, Arizona

October 31, 2017

1:00 p.m.

REPORTED BY:

John Fahrenwald, RPR

Certified Reporter No. 50901

KATHY FINK & ASSOCIATES

2819 East 22nd Street

Tucson, Arizona  85713

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BOARD MEMBERS PRESENT:

Fletcher McCusker, Chair  
Chris Sheafe, Treasurer  
Mark Irvin, Secretary  
Jeffrey Hill  
Jannie Cox  
Edmund Marquez

ALSO PRESENT:

Mark Collins, Board Counsel  
Brandi Haga-Blackman, Operations Administrator

*     *     *     *     *

BE IT REMEMBERED that the meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Arizona State Building, in the City of Tucson, State of Arizona, before JOHN FAHRENWALD, RPR, Certified Reporter No. 50901, on the 31st day of October, 2017, commencing at the hour of 1:00 p.m.
PROCEDINGS

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

It's 1:01 on the official Rio Nuevo smart phone.

MS. COX: Am I in the right seat?

MR. COLLINS: Yes.

MS. COX: Oh, thank you. Sorry boss.

CHAIRMAN McCUSKER: You have to lead the pledge therefore.

(Pledge was recited.)

CHAIRMAN McCUSKER: Brandi, can you call the roll.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Here.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Here.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Here.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Here.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Here.

CHAIRMAN McCUSKER: And do we know Mr. Marquez's status?

MS. HAGA-BLACKMAN: I don't know. I was just
about to text him.

CHAIRMAN McCUSKER: Did he confirm?

MS. HAGA-BLACKMAN: Yes.

CHAIRMAN McCUSKER: We are a quorum. We are calling the meeting to order. You have the transcription from our September 26th meeting. This was distributed as verbatim. Unless you have a change or question?

MR. IRVIN: Motion to approve.

CHAIRMAN McCUSKER: Second, please.

MS. COX: Second.

CHAIRMAN McCUSKER: All in favor say, aye.

(Ayes.)

Thank you for that. We need to move to recess to exec.

MR. IRVIN: So moved.

CHAIRMAN McCUSKER: Second, please.

MR. SHEAFE: Second.

CHAIRMAN McCUSKER: All in favor say "aye."

(Ayes.)

This looks like a long schedule for those of you that are in the audience. It's probably an hour before we get back to the public meeting.

(The Board recessed to Executive Session at 1:03 p.m.)

(The Board reconvenes at 2:18 p.m.)
CHAIRMAN McCUSKER: Someone make a motion to reconvene.

(Mr. Marquez is present; Ms. Cox is not present.)

MR. IRVIN: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say "aye."

(Ayes.)

We are back in business. Thanks for your patience. You can see we have a lot of stuff on the agenda, a lot of stuff happening downtown. So it's taken us a little longer to keep ourselves organized.

I'm going to do a brief update so we can get to the agenda. I understand Jim Beach needs to move up so, Dan, we're going to move BeachFleischman right after your report.

If you're not planning to be at Downtown Now tomorrow night at 6:00, you're really square.

(Ms. Cox enters the boardroom.)

A year ago we were worried about the second annual downtown celebration -- that we might not have anything to talk about. And oh, my god, all you do is drive around to the cranes, the demo, the new construction, the activities -- almost all of it's either enabled by or a catalyst of Rio Nuevo. So we're really proud of where we are.
We're doing an unbelievable amount of work. Particularly since we really only spent about $30 million of state tax money to create $300 million of construction activity by leveraging with many of you in the audience and choosing to partner on projects, instead of trying to let the government build on and operate everything.

We will be seeking an extension of the District in the next legislative session. I think we've been public about that. We do have sponsors for legislation and leadership support to extend the TIF District to 2035.

So anybody that knows a legislator or friend of the legislator or anybody in governor's office, you are deputized as our evidence.

MR. MARQUEZ: Mr. Chairman, just a piece of clarity. The Downtown Now event starts at 5:30. The doors open at 5:30 and the actual event itself -- the presentation starts at 6:00 sharp.

MS. COX: Don't be late.

CHAIRMAN McCUSKER: Don't be late. Do we need a ticket or can people just show up?

MS. COX: You need a ticket. You can print it. Everybody got their ticket --

CHAIRMAN McCUSKER: Go to downtownnow dot --

MS. COX: No-no-no.

CHAIRMAN McCUSKER: How do you get that?
MS. COX: If you've got a problem with your ticket, email me and I'll figure it out.

CHAIRMAN McCUSKER: What if you don't have a ticket and you want to go?

MS. COX: Email me and I'll figure it out for you.

CHAIRMAN McCUSKER: All these people --

MS. COX: Go to downtownnowtucson.com, and they're $20. Cheap. It's going to be a fabulous party.

MR. MARQUEZ: Mark Collins will be there.

CHAIRMAN McCUSKER: Dan, the financial report.

MR. MEYERS: Dan Meyers, the CFO of Rio Nuevo. The end of September, we've got about $7 million in various banks. The good news is that yesterday we got our first reimbursement from the Caterpillar loan of $3.4 million to help restore our cash that we've been spending quickly for the last few months.

As far as commitments go, the remaining commitments we've got on the books right now is about $5.4 million. So if you take the 3.4 we just got, plus the 7 we had at the end of last month, we've got about $5 million of money to use properly.

As far as TIF revenue goes, the July TIF collection was down a bit. We got a budget of $1 million a month and it
was about 850,000. That number jumps around based on who is filing and who is not, when we catch up, and things like that. I've got a quick summary of our Caterpillar project right now.

The cost being incurred through October 1st is about $14.5 million. Take out the land and the incentives, $9.2 million. So our out-of-pocket cost through the end of basically through today is $5.3 million. And 1.8 of those are for the sewer and landfill improvements which we're basically paying ourselves.

Questions?

CHAIRMAN McCUSKER: Dan, thanks, as always.

This is the time we reserve for our auditors to present to the Board and the public the findings of their independent audit. So, Lydia, put yourself on the record and fire away.

MS. HUNTER: Lydia Hunter, I'm senior manager with BeachFleischman.

Mr. Chairman, Members of the Board, thank you for the opportunity to present our audit results today. I am pleased to report that the District did receive a clean opinion on the financial statements.

So I'm going to go through your two documents in front of you today. The first is a letter on BeachFleischman letterhead. I'm going to go through that.
Just point out a couple of things: This letter summarizes our required communications with those charged with governance.

The first thing I want to point under significant audit findings: The District did have to adopt a new GASB, a Government Accounting Standards Board statement related to tax abatements this year. It did not change the numbers or the accounting frame thing, but it did add -- see my notice from the draft, a couple pages of disclosures.

So in the past, GASB was not very specific about what was required to be disclosed related to tax abatements. And that is the type of agreement where the District gives the future TIF revenue to a developer to entice them to develop when right now, there's no TIF revenue generated and there it helps generate TIF revenue. So those types agreements are tax abatements; so they did fall under this new GASB. So I just wanted to point out that might be why the statements seem a little longer than in the past.

The significant accounting estimates in the financials relate from the appreciation of capital assets and valuation receivables. The most sensitive disclosure in the financial statements is the probably footnote 11 -- it's on page 19-23 -- and that relates to, one, tax abatement agreements, and second, the District's commitments. So any
time the District makes a commitment we have that disclosed
in the financial statements.

If you turn to the second page it talks about corrected
and uncorrected misstatements. We are pleased to report
there were no uncorrected misstatements as a result of the
audit. We had no disagreements with management. And there
was no what we call "opinion chopping," where management
seeks an outside auditor's opinion.

With that, that summarizes the key points of
the letter. If you'll turn to the draft document in front
of you, this is the draft of the financial statements. I'm
just going to go over a couple of key points here, I'm not
going to go over it in detail.

But I do want to point out page 1 and 2 is
the audit report; and the top paragraph on page 2 it is
where it tells you our opinion.

Again, we gave you guys an unmodified
opinion; that's referred to a clean opinion. So good job to
the District for that.

If you will turn to page 3 on the financial
statements, this is your statement of net position or your
balance sheet, in other lingo. So here we summarize all the
assets, liabilities, and the net position of the District.

And your total assets went up about 3 million
from the prior year, and that's predominantly the increase
in capital assets offset by any decreases in cash or receivables. Your debt has decreased. You made debt payments of about $6.9 million and had some new debt of about $2.3 million.

So that's kind of a summary of the changes in the balance sheet. If you turn to the page to the statement of activities, this is a full accrual income statement, and you will see you have a healthy change in net position of $3.6 million.

And there was a big change in the expenses as interest decreased about a million dollars. And that's predominantly due to the advance refunding of the bonds last year, and you are seeing that benefit on your income statement.

And just a couple of footnotes I want to point out to you. If you turn to page 15, this is the page where we summarize the change in capital assets in case you're curious because the District obviously had a very busy year in terms of capital projects. So that page summarizes that.

And page 16 summarizes the change in your debt and your payments that you've made.

And then finally just to point out page 19, there's 23 -- discusses the commitments and the tax abatements.
And then finally I do want to point out as part of our audit we do look at internal controls. And we had no written internal control comment to communicate to the Board.

So with that, I'd like to thank Dan and Brandi for all helping us get through the audits.

Are there any questions?

MR. SHEAFE: To put this in summary form, this was absolutely a clean audit.

MS. HUNTER: Yes. No controlled findings and very clean, yes.

MS. COX: I'd just like to make one comment. I have been around long enough to remember when a clean audit was an impossible dream. And, boy, have we come a long way. Isn't this our fourth consecutive clean audit?

MS. HUNTER: I believe it's fourth -- maybe fifth.

MR. SHEAFE: My compliments to Dan.


MR. MARQUEZ: I have a question for you.

MS. HUNTER: Yes.

MR. MARQUEZ: I'm proud of the fact that Rio Nuevo was a hundred percent transparent. And I'm curious how that assisted you during your audit, the fact we post
every check on our website, post every bank statement, and post every signed contract.

Did you find us easier to work with than other organizations?

MS. HUNTER: It does help us in a sense. We can come a little bit more prepared because we can see so much online.

But Dan and Brandi provide us everything that we ask for anyway. But, yes, it does help in that anything we need, we can see it right there -- but, yes.

MR. SHEAFE: There's a lot of things going on. And it would be easy to have this get confusing in a hurry. And it's quite a note to the staff that this is totally clean and continues to be that way.

CHAIRMAN McCUSKER: This does go to every member of the legislature.

We do an annual report, which becomes the cover of this. We have a lot of things obviously to report on. We'll include some pictures of current projects -- and, Chris, every member of the legislature gets a copy.

It has certainly been noted in Phoenix, our continued compliance. We met with the governor's chief of staff a week ago and people certainly are taking notice that indeed, as you guys said, we've come a long way -- baby.

Thank you.
And thanks to Beach. Nice job.

Any other questions to our auditor?

Hearing none, we'll move on to item No. 7 on the agenda.

If you guys are ready, come on up.

The Fentons own a remarkable property on Toole and 7th Avenue. They are about to develop that and increase all of our retail tax base. And like many before you, you need a little help, which is the most fun we have. And Keri represents them -- who needs no introduction, but you still have to put yourself on the record.

The Fenton family were downtown before a lot of us.

I remember walking through Riley's upstairs just after you acquired -- oh, my god. I did think you were crazy. Crazy like a fox.

Keri.

MS. SILVYN: Good afternoon. Keri Silvyn, representing Toole Partners 3, LLC. My address: 5983 East Grant Road.

Congratulations on the clean audit. I, like Jannie, can say I was here back when.

So that's kudos to you. Thank you.

The gentlemen sitting next to me -- both of them probably need no introduction -- but, Toole Partners: the managing partner is Steven Fenton in this project; and then
Zack Fenton is here representing one of the potential tenants in the project.

So Toole Partners is here and desires to work with Rio Nuevo on an economic incentive package to really start getting that northern portion of the District, 35 East Toole is in the District -- it's on the northern edge of the middle of the warehouse district -- and really bring some of the revitalization that you've been so successful with on the east, west, and middle of the downtown, and start to really carry that north.

So the property is located on Toole Avenue. It is in the heart of the warehouse district. It's approximately a 14,000 square foot warehouse building. It's historic, and it is in need of some substantial reinvestment.

The desire is to provide retail bar and restaurant uses again in this area of downtown that could use the lift that has been there in other places. The barriers to investment in this kind of area of downtown are things that are not unfamiliar to you all from the rest of downtown.

The historic nature of these buildings makes it difficult to invest. They are old. Some have just been neglected, others have been abused. But they -- we want to bring them back; and they're historic so there's extra expense associated with that, the fact they've been
neglected over the years.

This area of downtown really has some very limited parking. It is a warehouse district. As we all know, when you build a warehouse you don't need a lot of parking. So these buildings tend to take up most of the property and there's not a lot of public parking. As we create reuse and we need additional parking, we have some issues.

What I've pointed out in red is the County parking garage, which is an opportunity to create that public parking. Right now, it is not -- that parking is not open on the weekends. And as some City staff realized very recently at a hearing that went too long, it also closes at either 7 or 8 p.m. so their cars got stuck in there.

So it's not very user-friendly for restaurants and bars and things that go later in the evening. So there may be an opportunity there to work with the County and have that be part of the public parking that's available on weekends and in the evenings to help with some of this revitalization.

MS. COX: Could you tell me again the exact location of that parking garage.

MS. SILVYN: It's red.

MS. COX: The red, but --

CHAIRMAN McCUSKER: It's the County
courthouse parking garage.

    MR. SHEAFE: It's the old courthouse parking.

The old one.

    CHAIRMAN McCUSKER: New one.

    MR. SHEAFE: Well, it's the new courthouse parking but it's the old parking --

    CHAIRMAN McCUSKER: No. It's a totally new garage. It's the new garage south of Pennington between Pennington and Toole.

    MS. SILVYN: It's the garage that should have been built a while ago but we found some bones.

    CHAIRMAN McCUSKER: It's about 500 spaces.

Just a footnote here, Keri, so I can bring the board up to speed.

    I've had very positive conversations with the County regarding opening this garage after hours and weekends. They would ask that we would help subsidize the additional security, which would be a very small investment on our part.

    So we've opened the conversation, and had a very favorable response from the County to opening these garages to the public. It really enables this project and others by having a nearby public garage. So we haven't advanced that any further than an introductory conversation, but they were very amenable to figuring that out.
MR. MARQUEZ: What's the demand for parking prior to this project for that parking garage? Is there any demand right now?

CHAIRMAN McCUSKER: There's several hundred open spaces. And it's only used by the County for courthouse-related activity. So there's several hundred vacant spaces.

MR. IRVIN: No night use.

CHAIRMAN McCUSKER: And no night use whatsoever.

MS. COX: What's the demand for the night use now?

MR. IRVIN: We're not sure yet.

CHAIRMAN McCUSKER: Who knows. There's nothing to go to over there at night. So the point is they would begin to create a demand with the adjacent parking.

MS. COX: Mr. Chairman, I believe I heard you say plural parking garages? So perhaps not just this one, the County would be amenable to opening other public garages in the evenings and weekends if there was a demand for it?

CHAIRMAN McCUSKER: They've expressed an interest in doing that. This one was the most topical because it was tied into a pending development. But they did express an interest to have the conversation that the County could see the wisdom of opening all of their parking.
MR. MARQUEZ: If you go southeast of the yellow box, is that a large parking lot?

CHAIRMAN McCUSKER: Across the railroad tracks?

MR. SHEAFE: No, southeast.

MR. MARQUEZ: No, southeast.

CHAIRMAN McCUSKER: That is owned by Peach Properties.

MR. MARQUEZ: It's parking?

CHAIRMAN McCUSKER: It is parking. Adjacent to a Peach building. It's safe to say this developer controls no parking in the immediate area; is that correct?

MS. SILVYN: That's correct. There's no real parking to speak of on the site. The warehouse takes up almost the entire lot.

CHAIRMAN McCUSKER: And of course to the west, Edmund, across the zone, that's the so-called platform block that at some point will be developed. And most of the planning I've seen in that includes some sort of parking structure. We own the lot block west of Church.

That's a Rio Nuevo service --

MS. COX: And the property you are speaking about being developed is?

CHAIRMAN McCUSKER: The corner of Toole and 7th Avenue.
MS. COX: Oh, Toole and 7th.

MR. MARQUEZ: The yellow box.

CHAIRMAN McCUSKER: Everybody tracking?

Keri, go ahead.

MR. MARQUEZ: Do you have any printed version so we can look at from here?

MS. SILVYN: No. I didn't bring them. I'm sorry, I thought you guys would have them.

MR. SHEAFE: Mark, you can hand at least one out.

MR. COLLINS: I can bring them out. It will just take me a moment.

CHAIRMAN McCUSKER: Keep going, Keri.

THE WITNESS: So I'm going to give you a little of history about the building, what is going on, and what it is -- the desires for the building.

This is the existing interior as it sits today. The building was originally constructed in the 1920s. It's been operated over times as a warehouse, and then some art studios.

At some point in time, ADOT acquired the building. We believe it was around the time of the attempt to link Aviation with the I-10 in this area. So they had it for a while and had it vacant. And that's where it lost a little bit of TLC. It was sort of left sitting there for a
awhile.

Obviously, when it was owned by ADOT, it wasn't part of the property tax system. And it was vacant the whole time. In 2010, Toole Partners acquired it from ADOT. It was vacant at that time and had not had any significant reinvestment.

So there's a couple of things that we want to do to. This is the existing interior. There is another of the existing interior.

Most of the investment is probably going to be in the interior. And in large part that's because it is historic and so there's a limited amount that you can do on the exterior of the building.

This is an artist's rendering of at least one of the tenant spaces that's currently being discussed -- a restaurant in there -- to reinvest in this area. We want to re-tenant with restaurant/bar/retail. We want to revitalize some of the infrastructure in the area. We'll talk about that in a minute.

The external building -- that may help place it. For those of you trying to figure out what that yellow square looks like -- it's right on that corner -- and I think everybody drives by it relatively frequently and just doesn't see it.

The exterior, we want to revitalize. Again, it's
historic. So we've got to be careful. We can't knock it down and start all over, and we can't do a lot to the external or it loses its historic value. So we try to do an artist's rendering or, I guess, a mock up of what it could look like. There's some windows that were historically there that we could bring back, give it a nice fresh paint job, and then work on some modern signage as we can to freshen up the building.

We're also talking about new heating and cooling. We need some new mechanical equipment. As we all know in this area, the infrastructure line sewer/water are old. And so as we update the building we're going to have to be working with the City and County on working on upgrading some of those systems as well. We already talked about needing public parking in this area.

So what do the economics look like? The building is about 14,000 square feet. We think there's a potential for about four tenants. Obviously, as we work on the inside, we can tenant that in different ways. One of the tenants that is sitting here is -- it's not Reilly Pizza. It's a concept from the same group who started Reilly Pizza and it's confidential. It's so confidential that they haven't even shared it with their lawyer. Really excited about it. That was part of the rendering that they saw, the bringing a restaurant and bar use into the area.
And the hopes are that will then attract another two or
three as well.

So these sales tax projections -- I call them
conservative, ambitious -- I don't know what you want to
call them -- in the sense that these are numbers that assume
a hundred percent occupancy and full stabilization tenant
sales. So assuming that in the 2.8 percent that comes back
to the District, it's about $130,000 a year.

Assuming --

CHAIRMAN McCUSKER: Is the revenue comparable
to what you see at Reilly's? Is that the basis for --

MR. FENTON: That's part of how I came up
with it.

CHAIRMAN McCUSKER: Thank you.

MS. SILVYN: Assuming it takes until 2019 to
do the improvements, full occupancy and stabilization that
the revenue stream through 2025 is somewhere -- depending on
where in 2019/2020 it actually hits those marks -- is
somewhere between 780,000 and 910,000. So we're still under
a million dollars in sales tax revenue coming to Rio Nuevo
over that period of time.

So the request that we are making this afternoon is to
work with Rio Nuevo on a lease that Rio Nuevo owns the
property. We will be the lessee. We'd like to do that for
a period of eight years.
We've reached out to the City and I'm assuming the City will work with us on some level of a GPLET, either abatement or a reduced GPLET amount.

We'd also like to work with Rio Nuevo on property-specific sales tax revenue reinvestment, which is why we wanted to create these numbers for you to see how that works.

Our desire is to recoup the investment. As you can see from the numbers, it's a modest recoupment in large part because of that tiny issue and the percentage. Obviously, the better we do with sales tax -- if we beat these projections, then we get closer to recouping and it's better ultimately for the District as well at the end of sales tax sharing because it's doing really well. So the incentives are in the right place.

We also started the conversations and you received the update too on you being a catalyst to work with the County to get some of those garages up and running.

So the request is really threefold: It's to enter into the lease for the eight years, assuming the City will work with us on the GPLET; the sales tax reinvestment; and then working with you on the parking at the County to get the parking garages open.

CHAIRMAN McCUSKER: I'll plant a seed that you may or may not know. If you've seen our other rebate
deals with other developers, many of them have a clause that
in the event that we get an extension, the development can
continue to participate in a rebate and then, Keri, we
typically cap that at some number. So I think that's open
to you as well.

We have established that as precedent with other
developers so there may be a way for you to enjoy the rebate
beyond 2025.

MS. SILVYN: And we're happy to work with the
Board on that.

CHAIRMAN McCUSKER: Questions for the
developer?

MR. IRVIN: I don't really see this as
anything we've not done for anybody else.

CHAIRMAN McCUSKER: It's absolutely nothing
we've not done. I think that's the thing of having
established this precedent.

This is a huge opportunity to activate a very
dark part of our District. And you have to know and respect
the work that they've done with their projects. Reilly's is
part of the catalyst, the bar/food scene downtown. And make
no mistake about it, the work they've done there will
translate to this space. And the County is going to help us
figure out the parking. I can't think of any reason we
wouldn't proceed.
MR. SHEAFE: I guess that's all you really need because we're encouraging you to proceed with that and there has to be a proposal to put forth that will be worked out with our counsel.

CHAIRMAN McCUSKER: You can pretty much do anything you want. You can instruct counsel to start on the documents.

MR. SHEAFE: Do we need a motion to authorize counsel?

MR. IRVIN: Before you get to the motion, so Steve or somebody -- Zack, Gary talk about -- because maybe I missed it -- because I already know the number, but I don't think everybody else does -- what do you envision the investment it's going to take to get this thing to a point? I know the number but I don't think you shared it.

MS. SILVYN: I believe I skipped over that in my outline -- not on purpose. We're expecting it to be about a $2 million investment.

MS. COX: And you're not asking Rio Nuevo to invest any cash. Simply the --

MS. SILVYN: -- the sales tax. Site-specific sales tax.

MR. SHEAFE: I'll make a motion that we authorize counsel to work with counsel for the Fenton family on this project in the hopes that we can put together a
workable agreement with the rebates and whatnot that we've
done for other parties.

    MS. COX: Second.

    CHAIRMAN McCUSKER: Mr. Collins, does that
satisfy you?

    MR. IRVIN: Probably need a cap number on
there.

    MR. COLLINS: Well, yeah.

    CHAIRMAN McCUSKER: What he's designed is
something that comes back to the Board.

    MR. COLLINS: That's the point. You take
that as an amendment --

    MR. SHEAFE: Well, yeah. It was
incorporated -- I'm not going to set any rules. We're going
to figure the deal out.

    MR. COLLINS: Okay.

    CHAIRMAN McCUSKER: So the motion to
paraphrase is the authorize you to begin the legal work to
document this sale/lease back, and you'll present it back to
the Board at a future meeting.

    MR. COLLINS: Correct.

    CHAIRMAN McCUSKER: Brandi, will you call the
roll.

    MS. HAGA-BLACKMAN: Edmund Marquez.

    MR. MARQUEZ: Aye.
MS. HAGA-BLACKMAN: Jannie Cox.
MS. COX: Aye.
MS. HAGA-BLACKMAN: Chris Sheafe.
MR. SHEAFE: Aye.
MS. HAGA-BLACKMAN: Mark Irvin.
MR. IRVIN: Aye.
MS. HAGA-BLACKMAN: Jeff Hill.
MR. HILL: Aye.
MS. HAGA-BLACKMAN: Fletcher McCusker.
CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

We passed that unanimously. Congratulations. It's well deserved. Let's try and move this along quickly. And I will get after the County post-haste.

MR. SHEAFE: I'm probably the only member that actually recognizes one of those interior shots.
MR. IRVIN: You built that.
MR. SHEAFE: No, but I spent a lot of time -- Julie Jones used to be in there. And I must be spent 150 hours in that --

CHAIRMAN McCUSKER: I'm going to swap Item 9 and 8 so that we hear the Caterpillar GMP request. And then come back to the City portion of that.

Phil, you and Sundt want to come on up?

Does that work, Elaine?
So Item No. 9. We are going to hear an update from Sundt on where they are with the Caterpillar project. You'll see some pictures and then they have a specific budget request for us to continue to advance our $43 million construction project on the West Side. Our agreement with Sundt is what's called a Guaranteed Maximum Price contract. We've approved two of those: GMP1, and GMP2. Today you're going to hear from Phil and Sundt on GMP3, and GMP3A. Phil, are you going first?

MR. SWAIM: Good afternoon. Phil Swaim, Swaim Associates Architects, 7350 East Speedway. It's a great time to be able to update you on Caterpillar, actually as they are calling it now the Caterpillar Tucson Mining Center. Things are moving very quickly and efficiently.

This next slide actually shows what's happening out at the site. Over the last four months, Sundt has been working incredibly hard doing all the critical site prep work to get to where they are today.

One of the major components has been the sewer line, this big 30-inch diameter sewer that's been running right through the center of the site. As of yesterday it is officially flowing in the new pipe and we're basically done with that part of the project. Incredible feat to be able to get that taken care of.

They've also been moving for the past four months on
the landfill remediation. Roughly 15 to 20 trucks an hour, five days a week, for several months. If you do the math, that's several thousand truckloads of landfill going from this site to Los Reales Landfill, filling up with clean fill and with clean dirt and coming back to this site.

I sort of describe it as this ballet or dance. It's incredible when you see all these trucks flowing out, getting loaded, coming back, unloading, and water trucks, compacters, et cetera, all Caterpillar equipment sort of miraculously creating this orchestrated effort; it's been very impressive.

Just last week they did hit bottom on the landfill. And the environmental tests were done and we have a clean bill of health. So they will continue to take that out and start to fill that back in.

The other component that they've done is that they've actually created the building pad. You will see on the major portion there is where the building is going to go and they're ready to proceed as the next slide shows.

What's actually been kind of cool as well is Sundt and SmithGroup have been combining their technology. As you see, here is the model that SmithGroup has developed of the building, and Sundt has been utilizing drone technology and doing regular survey updates of the site to make sure they are on target with the grades, documenting quantities.
removed, and moved around. It's really been incredible so
-- and tying those two together.

The next slide actually shows what they're ready to
proceed with now, which is the foundation, here in November.
You approved that GMP last month.

For the next year or so, we'll be on task to
complete all the major components of the building, which is
what Sundt is bringing together for us today of the GMP3,
all with the eye on the target of being ready by the end of
2018 for Caterpillar to start to move in.

Some of the renderings that we've got here -- this is
obviously our target. This is a view from the west of the
building, from Avenida del Convento, at the entry. It's
actually showing their customer center where they're
planning on bringing customers from around the world to be
able to visit Tucson, spend time here, and go to the proving
grounds, and have that sales experience with Caterpillar in
Tucson.

The collaborative office space here, above
the dining area, cantilevered out over the river. And you
can see from the river park below -- so this is a view that
you would see from the freeway and the river park.

It's got a -- it actually has a porch along
that side as well that has a view of the City and the river
park.
Caterpillar is very excited to be able to take advantage of our outdoor environment here in Tucson. So it's wonderful to see. The metal panels that are on this building, we are making every effort to see if we can get those to be copper panels and that really, again, speaks to mining, and Tucson, and Caterpillar.

So with that, we're ready to spend more money. I'd like to bring up Randy Rusing from Sundt Construction to describe the next Guaranteed Maximum Price and see where we can go from there.

MR. RUSING: Thank you. Randy Rusing with Sundt Construction. Do you need my address? 2015 West River Road.

I'm here to just kind of update you on the GMPs, where we're at, kind of take you back and run through real quickly where we started and where we are at.

We had our first GMP for our preconstruction services that we started. And that a little under a half a million dollars. And the GMP1, which was the mass grading and the pad preparation, which was approved several months ago. And it still said UP2 Foundations. Elevator retaining walls was approved last month. It was $7.3 million.

And today what we're presenting is GMP3, which is the structural steel, the envelope, the MEP, site utilities, and the adjacent garage that we're going to be
building.

As far as the dollars, you can see that hundred percent confidence up there. What that really is referring to where we think we are with the budget and the numbers that have been presented thus far. So we're very confident -- the numbers we've submitted today we're very confident with.

The next GMP will be GMP4, which is the finishes and the landscape, and artscape, which is going to be a little over $8 million. And we have a lot of confidence in that number. The 2GMPs below that are --

CHAIRMAN McCUSKER: Let's stop there for a minute. We're going to deal with Cat and then come back to the City.

Any questions of Sundt or Phil on the request for GMP3, which is $19,022,205?

MR. RUSING: So our target budget at the beginning of this job was $36.8 million for the structure and the site work. And we are currently at $36.8 million with our budget working with the architects, which is one of the great uses of this process. So it's been good to give -- to maximize Caterpillar's building for their budget.

So to date, once this GMP is approved -- if you see fit to do that -- we will have GMP'ed 76 percent of the project cost with the remaining $8.8 million, which is about 24 percent. So we're -- have a high confidence that
we're right on that numbers.

Anyone have any questions for me?

CHAIRMAN McCUSKER: We're going to approve this.

MR. IRVIN: Motion to approve.

CHAIRMAN McCUSKER: I have a motion to approve GMP3. I need a second, please.

MR. SHEAFE: Second.

CHAIRMAN McCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

So 6-0, we approve GMP3, $19,022,000. Let me just remind people on the conversation we're about to engage.

The City has worked extensively through Council member
Regina Romero's leadership and the city council to take advantage of our contract with Sundt and has elected unanimously to remediate the adjacent landfills and to begin to design the public roadway Avenida del Convento.

The smartest thing for all of us would be to cooperate with the City while Sundt is there and allow them to access our agreement.

We're both government, we can do that through an IGA. And really, we'll save probably as much as a hundred percent of the cost if the City were to do this themselves. So what we're going to hear now is kind of a sidebar GMP conversation, which we're going to call GMP3A; is that the plan?

MR. RUSING: Correct.

CHAIRMAN McCUSKER: Which would authorize Sundt to work with us and the City to begin to construct -- I guess begin remediation and, at this space, the design of the roadway.

Elaine.

MS. BECHERER: Good afternoon. Elaine Becherer, the City of Tucson, 255 West Alameda.

Mr. Chairman, Members of the Board, thank you. As Rio Nuevo and the City in the region we've all been talking about how Caterpillar is meant to be a catalyst for our community. And with -- yes, the council member Romero's
leadership and all Mayor and Council on August 8th they
everunanimously 7-0 to further support that catalyst and
to remediate the additional approximately 300,000 cubic
yards of landfill to the site to the immediate south and
west. And then also to support the project and build the
extension of Avenida del Convento.

The $7 million, working with Rio Nuevo and
Sundt, we too have a hundred percent confidence in that
number. And just to get it on the record, that is money
that the City will pay directly to Sundt and our
contractors, our consultants. There will not be any level
of reimbursement. But through the mechanism working with
your counsel and our counsel, because of the efficiencies of
the mobilization already having occurred, Sundt being on
site, we would like to partner with Rio Nuevo and take
advantage of the fact that you're already on-site.

But the $7 million for the landfill remediation will be
paid directly by the City. And in the agreement, there will
be provisions -- if something were to happen, that the City
is, you know, good for it, and we will pay our bills.

I do -- the City wants to get that on the record
because I think we know it's important for Rio Nuevo to get
that question on the record.

And then second, for the design of the road, that's the
second half million GMP. We don't have a GMP for the
construction yet because we're in design. So once we have
the design complete, then we come back to you for the
construction of the road.

CHAIRMAN McCUSKER: Mr. Irvin.

MR. IRVIN: So Elaine, I'm always happy when
I have a chance to see you present because I know the
numbers are good. Worked with you a lot, it's just great to
see you in a project. I want to say publicly thank you --
because I know a lot of this stuff happens because of your
involvement, so thank you.

MS. BECHERER: Thank you.

MR. IRVIN: Mr. Chairman, I'd like to make a
motion that I think we in Executive Session spent a little
time talking about what that agreement should look like.

I'd like to make a motion that we allow
Mr. Collins to wrap up that agreement. And as long as it
doesn't deviate from what we discussed in Executive Session
that we allow these officers to move forward with that.

CHAIRMAN McCUSKER: We may want to approve
the GMP first so that you have the money to spend. And then
an agreement on how it is being reimbursed.

MR. IRVIN: I'll make a motion to approve.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: That would be to approve
GMP3A. $6,919,110.
MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Let's make sure that's right. You're showing your slide.

MR. SHEAFE: 6,919,110.

Just for the record, GMP stands for guaranteed maximum price. So the work will be done for no more cost than that amount of money.

CHAIRMAN McCUSKER: Mr. Collins -- and since we already have an existing agreement with Sundt, this is basically a change order between Rio Nuevo and Sundt.

MR. COLLINS: It's actually an amendment to the agreement. You can call it a lot of different things, but it's a three-party agreement between -- among Sundt, the City, and the District on which we're grafting the City on.

CHAIRMAN McCUSKER: So we're going to come back to that. But we have a motion and a second to approve the GMP.

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.
MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

CHAIRMAN McCUSKER: So 6-0, we approved GMP3A on $6,900,000, which will be paid directly by the City of Tucson to Sundt via an agreement, Mr. Collins, that you're working on.

So now, Mr. Irvin, fire away.

MR. IRVIN: I'd like to make a motion that as we discussed in Executive Session, that counsel work to finalize that agreement with the City of Tucson and the tri-party agreement. And if there's no substantial changes, that the executive officers be authorized to sign.

MR. MARQUEZ: Second.

MR. HILL: Point of order -- wouldn't the word be material? I'll amend that motion --

MR. IRVIN: I'll accept that.

MR. HILL: -- or incorporate it at material.

MR. COLLINS: Correct.

MR. HILL: Okay. Thank you.

CHAIRMAN McCUSKER: Missing a second.
MR. MARQUEZ: Second.

MR. SHEAFE: Mark, certainly included the "good for it" provision.

CHAIRMAN McCUSKER: Right. It's Elaine's personal guarantee.

We have a motion and a second to authorize counsel to finish the IGA with the City of Tucson, Rio Nuevo, and Sundt; it's a tri-party agreement that will represent our $6,900,000 and provide for the City to pay the contractor directly.

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

We're on a roll. That passed unanimously, 6-0.
MR. COLLINS: Mr. Chairman, while we're on that topic and while you are on a roll. As -- in addition to having an agreement among the City, the District, and Sundt, we also need an agreement between the City, the District, and SmithGroup, and the design team.

So -- yes, for the design of Avenida del Convento. And so I think it would be appropriate, if you were so inclined, Mr. Irvin, to make a motion like you just did but it would be a three-party agreement among the City, the District, and the SmithGroup.

CHAIRMAN McCUSKER: Does that have a dollar amount attached to that?

MS. BECHERER: A couple of months ago we came to the Board and we have a price not to exceed $100,000. And we do have a fee from Soma, SmithGroup, as well as Ashley for serving, and it is -- all three combined is under a $100,000.

CHAIRMAN McCUSKER: There you go, Mark.

MS. BECHERER: And that, again, would be paid directly from the City.

MR. IRVIN: Same motion. We've authorized you to wrap up those agreements.

CHAIRMAN McCUSKER: Same motion would give the money to Sundt.

MR. IRVIN: Right. As we discussed in
Executive Session, per the agreements, if there's no material changes then the executive officers authorized to sign.

MR. COLLINS: The tri-party agreement among the District, City, and SmithGroup.

MR. MARQUEZ: Second.

MR. SHEAFE: If you need any other provisions in there with any other consultant because she's naming off Soma and other places.

MR. COLLINS: Somas is working with SmithGroup.

CHAIRMAN McCUSKER: Okay. So we have a motion to authorize the counsel to enter into a tri-party agreement between the City, Rio Nuevo, and SmithGroup architects, not to exceed a $100,000.

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.
MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

6-0, we passed that. Thank you very much.

MS. COX: Mr. Chairman, could I ask a question of Phil? Phil, you said that the official name for this is the Caterpillar Tucson Mining Center.

So we are no longer referring to it as Caterpillar Surface Mining and Technology headquarters?

MR. SWAIM: As of today, that's what we've been directed to -- by Caterpillar to quote.

CHAIRMAN McCUSKER: If you can go back to that slide, that's Caterpillar's rebranding of their headquarters.

MS. COX: Caterpillar Tucson Mining Center is what you're going to hear tomorrow night.

Okay. Good. Thank you.

CHAIRMAN McCUSKER: Item 10 I'm going to table. We're still working on that project.

No. 11. We have now seen a completed inter-governmental agreement approved by the regional transportation authority and the mayor and council of the City of Tucson.

We would be the third party to this, which
provides that Rio Nuevo could take title to the so-called remnant properties along the Broadway corridor affected by the widening that is from Euclid to Country Club. We have discretion over any property we choose to take title to with the intent to re-purpose that as retail.

This agreement we've seen in exec. All it does is provide for the means in which title is transferred. Everything else would then be decided on a property-by-property basis.

MR. SHEAFE: Motion to approve having counsel complete that agreement in accordance with what was discussed in exec providing there are no material changes.

MR. MARQUEZ: Second.

MR. HILL: Point of order.

MS. COX: What about signing it?

MR. SHEAFE: With the executive officers approving it.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: We have a point of order. Mr. Hill.

MR. HILL: Counsel is -- when they -- can they reference a discussion made in Executive Session?

MR. COLLINS: It's more appropriate to direct the executive officers -- or the counsel to finalize the agreement as discussed in e-session with no material changes
and the executive officers to sign.

CHAIRMAN McCUSKER: We're talking about the document, not the discussion.

MR. HILL: That's what had me concerned.

CHAIRMAN McCUSKER: Do you want to rephrase that our let it hang out there?

MR. SHEAFE: Well, I actually thought what I said was pretty close. So we effectively have a tri-party agreement that we are all aware of that will be posted publicly.

My motion is for counsel to be authorized to finalize that, keep it consistent, with no material changes from the agreement that we've already discussed, and then bring it to the executive officers for final approval.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Okay. We understand that now.

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.
MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).

By a vote of 6-0, we are now engaged in the Broadway widening.

MR. COLLINS: Oh, don't say it that way.

MR. IRVIN: We are not involved in the Broadway widening.

CHAIRMAN McCUSKER: I take that all back. We have nothing to do with the Broadway widening.

MR. SHEAFE: This doesn't rise to the level of triangle over rectangle, but it comes close. Just a quick update. We might need a motion to spend a little money. But I think god bless Caliber out of Scottsdale for hanging with us on this TCC hotel.

We were a little surprised we would have to approach the City on an amended PAD. We did do that. The City agreed to expedite that and give them credit when credit is due; they have in fact expedited our zoning request. We had approval for the zoning enforcement officer hearing a couple of weeks ago. We've had no -- none -- neighborhood or any other objection for that matter to the
TCC hotel, which would be located in the southeast corner of the Tucson Convention Center. There's one little clause in the zoning officer's recommendation that could cost us a little money.

In his approval, in our presentation for the PAD, we've agreed to add 95 parking spaces within the existing TCC complex. We're going to dedicate 75 parking spaces to the hotel. This gives us a net gain of 20. The zoning officer suggested that we should go ahead and do that immediately and not make it a condition to the hotel.

We have an estimate from our architect and planners on that it should not exceed $100,000. So your options are to try and appeal that opinion to mayor and council to have them soften or remove that language, or just let that recommendation go forward, which would probably be easier to manage.

Mr. Irvin?

MR. IRVIN: Well, I know we've walked the TCC many times and we know that we're short on parking. I think for the money we'd spend to add these additional spaces, regardless if Caliber comes or not -- and they're coming -- but I think it's important for us to go in there. As you already know, we have a parking shortage. Of the numbers I've heard, it's like a hundred grand to do that. It's very inexpensive and will add a lot to our primary component.
CHAIRMAN McCUSKER: I think the motion could include that as a cap.

MR. IRVIN: I'd like to make a motion that we move forward with the recommendations of the hearing examiner, which asks that we add 95 spaces that were part of that. I'd like to make a motion regardless whether Caliber comes or not that we move forward with that, adding those 95 spaces, subject to $100,000 expenditure.

MR. SHEAFE: Cap.

MR. IRVIN: Thank you. Cap.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Any other conversation?

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.
(The Board voted and motion carried 6-0).

CHAIRMAN McCUSKER: 6-0. A consensus board.

We're going to paint us some new parking space. And I do agree with Mark: Caliber is coming.

Item number 14. This is the time we finally got everybody together to elect officers for a new two-year term.

What is the board's desire?

MR. SHEAFE: Our choices are to change or to remain where we are, right?

MS. COX: I'd like to move that the officers -- the current officers remain in place for another two-year term.

MR. MARQUEZ: Aye. I mean, second.

MR. SHEAFE: The executive officers and the chairman, correct? The chairman stays the same.

MS. COX: Well, I said the three officers stay the same.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Mr. Collins, do the officers vote on themselves?

MR. COLLINS: Yes, you do.

MR. HILL: Do the gentlemen -- and nominated accept that?

CHAIRMAN McCUSKER: That would be true in our
case. We would have to agree to accept that. Mr. Sheafe?

MR. SHEAFE: I accept.

CHAIRMAN McCUSKER: Mr. Irvin?

MR. IRVIN: I accept.

CHAIRMAN McCUSKER: Oh --

MR. SHEAFE: You got to accept.

MR. IRVIN: I accept subject to you accepting.

CHAIRMAN McCUSKER: I accept.

It's been a great pleasure to serve. And I'm happy to continue to do it.

So with that, Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

(The Board voted and motion carried 6-0).
CHAIRMAN McCUSKER: And I vote for myself. -- and all my colleagues -- it's been a pleasure we're doing great work and the entire state is proud of what we're doing.

MR. SHEAFE: I think we ought to say a little more here. I tell you, I've served on boards, I've worked on things, I really appreciate this board. And I'm absolutely amazed at what our chairman is capable of getting done.

I sometimes wonder if he has anything else in his life going on because he seems to be in meetings handling details, staying on top of the myriad of details that boggle my mind. In the meantime, he starts and sells successfully another business and now is starting a third one.

We really have been graced by extraordinary leadership in this Rio Nuevo effort.

And I recall very clearly sitting with our chairman and with Mark before we accepted these assignments and started this new board and looked at what was before us and seriously wondered how we would be able to navigate through. But it just seemed like we had a possibility of getting something done.

And I can tell you I have plenty of things going on in my life, but one of the reasons I've stayed with
this is this board and speaking for myself and the
remarkable leadership coming from our chairman. So when I
voted yes, I voted it really with a lot of knowledge that
Tucson has been served just amazingly well, and especially
by my two members, Mark, and, of course, our chairman, who,
as I say, has been remarkable in his capability of handling
all of these processes. And I'm enjoying riding on his
shoulders and the other board members' shoulders.

MS. COX: Well, hear, hear. I would agree
with everything you said except that I would include you in
that because we are totally transparent, and we can be
transparent with a lot of confidence because you look over
every word, in every contract, every dollar that leaves
here, and with a lot of background and knowledge of all of
the issues. And without that, our chair and Mark couldn't
do what they do, and we appreciate you just as much.

CHAIRMAN McCUSKER: And, you know, as much as
I would take credit for some of that, I think the fact that
we are a consensus board, and we're not mainstream
politicians, has really allowed us to gain unbelievable
credibility in every sector of our community and state.

We've become nonpartisan. It's about
downtown it's about what we can build, what we can do, and
grow together, and I think people are recognizing that. The
fact that the governor, and the speaker, and the president
would even consider an extension speaks to all of us. This is the same group of people that could have by all rights and with gnat's hair difference terminated the District in 2010. And they made it pretty clear to all of us when we got involved. I remember that the president in the senate told me at the time you have six months: If you don't do something in six months, we're going to shut that thing down; so that was seven years ago.

MR. MARQUEZ: I'd like to remind people -- in town, when I speak to them is we're not up for reelection and we don't have a term limit. We serve at the pleasure of the state legislature. And it's almost -- it's a very eclectic group up here. Everyone brings their own strengths, from real estate entrepreneurs, to a former state legislator at the end, that keeps us true, in all senses of the word.

I'm always amazed as a nonexecutive member how many meetings you all go to get a lot of this behind the scenes work done. And for those of you in the audience, we have some healthy debates in e-session and we talk things out. We may be consensus up here, but it's been a drag out fight a lot of the time and we've come to a good common ground in a lot of ways.

CHAIRMAN McCUSKER: You're not allowed to talk about that.
MR. MARQUEZ: I know, I've got the lawyer in the room. But it's a fantastic board and, Tucson, we were due for it. We were due for the momentum --

CHAIRMAN McCUSKER: My wife solved the "how do I do it?" mystery. Unbeknownst to me, we were recognized publicly for our work as a couple. They let her speak -- not me, which was a really smart thing. They asked her, why are you so successful? And she said, simply, Fletcher doesn't have a plan B.

MR. MARQUEZ: That's so true.

CHAIRMAN McCUSKER: And it hadn't dawned on me then that I'm kind of all in on everything.

MR. MARQUEZ: That's so true.

CHAIRMAN McCUSKER: Any call to the audience? Entertain a motion to adjourn.

MR. IRVIN: So moved.

CHAIRMAN McCUSKER: All in favor say, aye.

(Ayes.)

Let's just do a quick date update. The November meeting is the 14th.

MR. COLLINS: No it's the 21st.

Let me double check.

MR. MARQUEZ: 21st at 1:00.

MR. COLLINS: 21st at 1:00.

CHAIRMAN McCUSKER: All right. That's also a
MR. COLLINS: It is.

CHAIRMAN McCUSKER: And we may be at city council.

MR. COLLINS: You may.

CHAIRMAN McCUSKER: That's not going to work, unless we do it some other time.

MR. COLLINS: Well --

CHAIRMAN McCUSKER: I think we are agendized that day for the city council.

MR. COLLINS: For what?

CHAIRMAN McCUSKER: For the Caterpillar agenda item. We may want to use that to move the --

MR. COLLINS: He's got a problem with a 14th.

MR. HILL: I do too.

MR. COLLINS: Oh, you do too.

CHAIRMAN McCUSKER: Here's a novel idea. Is there a reason we need to meet in November?

MR. MARQUEZ: I can do it the 14th.

MS. COX: I can too.

MR. HILL: I'll be in Berlin.

CHAIRMAN McCUSKER: Let's set November for the 14th.

MR. IRVIN: Can we push it back a half hour to 1:30?
CHAIRMAN McCUSKER: Sure.

MS. COX: Yes, let's do that.

CHAIRMAN McCUSKER: And then December is currently scheduled for what? Seems like that was early too.

MR. COLLINS: Yeah, it is early. It's -- 12th.

CHAIRMAN McCUSKER: Does that work for everybody?

MR. MARQUEZ: 14th at 1:30?

CHAIRMAN McCUSKER: December 14th. So November 14th and December 14th.

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: Is that what we're talking about?

MR. COLLINS: -- no. It's November 14th at 1:30; December 12th at 1:00, correct.

CHAIRMAN McCUSKER: And then, Brandi, if you will start on a 2018 calendar and circulate that so we can post that to the website.

Thank you, everyone.

(3:22 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.

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John Fahrenwald, RPR