RIO NUEVO MULTIPURPOSE	
FACILITIES DISTRICT,	

MEETING OF THE BOARD OF DIRECTORS

March 20, 2018 Tucson, Arizona 2:00 p.m.

Reported by: Patricia Gerson, RMR
Certified Court Reporter #50429

KATHY FINK & ASSOCIATES
COURT REPORTERS
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Page 2
     APPEARANCES:
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           BOARD MEMBERS:
 3
               Fletcher McCusker, Chairman
               Chris Sheafe
 4
 5
               Mark Irvin
               Jeffrey Hill
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7
               Jannie Cox
8
               Edmund Marquez
           ALSO PRESENT:
9
               Mark Collins, Board Counsel
10
11
               Brandi Haga-Blackman, Operations
               Administrator
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           BE IT REMEMBERED that the Meeting of the Board of
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16
     Directors of the Rio Nuevo Multipurpose Facilities
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     District was held at the Arizona State Building, 400 West
     Congress Street, Room 222, in the City of Tucson, County
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19
     of Pima, State of Arizona, before PATRICIA GERSON, RMR,
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     Certified Court Reporter No. 50429, on the 20th day of
     March 2018, beginning at the hour of 2:01 p.m. on said
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22
     date.
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PROCEEDINGS

CHAIRMAN MCCUSKER: We're to call this meeting to order, it's 2:01.
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- Jannie, you're last, so you get to lead the
- 6 pledge.
- 7 MS. COX: Okay.
- 8 CHAIRMAN MCCUSKER: Plus, you're in the baby
- 9 chair.
- 10 (Pledge of Allegiance.)
- 11 CHAIRMAN MCCUSKER: Brandi, call the roll.
- MS. HAGA-BLACKMAN: Edmund Marquez.
- MR. MARQUEZ: Here.
- MS. HAGA-BLACKMAN: Jannie Cox.
- MS. COX: Here.
- MS. HAGA-BLACKMAN: Chris Sheafe.
- 17 MR. SHEAFE: I'm here.
- MS. HAGA-BLACKMAN: Mark Irvin.
- MR. IRVIN: Here.
- MS. HAGA-BLACKMAN: Fletcher McCusker.
- 21 CHAIRMAN MCCUSKER: Present.
- 22 And we think Mr. Hill is on his way in, as far as
- 23 we know.
- You have the February 27th transcription in front
- of you, it's verbatim, I need a motion to approve.

- 1 MS. COX: So moved.
- 2 CHAIRMAN MCCUSKER: Jannie moved to approve.
- 3 Do we have a second?
- 4 MR. MARQUEZ: Second it.
- 5 CHAIRMAN MCCUSKER: All in favor say aye.
- 6 (Ayes.)
- 7 CHAIRMAN MCCUSKER: It passes unanimously.
- 8 This is the time we set aside for the executive
- 9 session. We need a motion to recess.
- MS. COX: So moved.
- MR. MARQUEZ: Second.
- 12 CHAIRMAN MCCUSKER: We'll see everybody in about
- 13 35 minutes.
- 14 (Board recess to executive session at 2:02 p.m.)
- 15 (Board reconvenes at 3:02 p.m.)
- 16 (Mr. Hill now present.)
- 17 CHAIRMAN MCCUSKER: We need a motion to
- 18 reconvene.
- 19 MR. IRVIN: So moved.
- MR. MARQUEZ: Second.
- 21 CHAIRMAN MCCUSKER: All in favor say aye.
- 22 (Ayes)
- 23 CHAIRMAN MCCUSKER: Thanks for hanging in there
- 24 with us.
- I think we can do this very quickly, particularly

- 1 since it's a small crowd.
- So, Brandi, I'm going to, well, show them to the
- 3 board.
- 4 So as part of my update, I'm going to show you
- 5 all some pictures. I'll go ahead and do that, and then
- 6 we'll allow Brandi to post them.
- 7 So can everyone see the TV, or is the speaker in
- 8 the way? You might have to -- can you do something, scoot
- 9 it out?
- MS. COX: Now we can't see it.
- 11 MR. COLLINS: The important people need to see
- 12 it.
- 13 CHAIRMAN MCCUSKER: There we go.
- So, by way of update, I think it's agendized, our
- 15 extension bill is moving quite nicely through the
- 16 legislature, a 38 to 12 vote in the house, passed the
- 17 commerce and public safety committee, in the senate it's
- 18 on it's way to the senate floor.
- 19 Part of the accolades that we've received is our
- 20 willingness to show people our work. And we've traveled a
- 21 lot of our legislative, including the governor, through
- 22 downtown Tucson. And it's probably been the best
- 23 advertisement we could ever do for someone that's
- 24 considering legislation, to see it, touch it, and feel it.
- 25 And for those that haven't, we've submitted some photos to

- 1 them. And these next 20 slides I'll go through quickly.
- 2 Of course this is the Caterpillar rendering on
- 3 the site immediately across the freeway at the Santa Cruz.
- 4 Go ahead, Brandi.
- 5 This is the current status of Cat. You can see
- 6 the masonry going up, so that foundation work is done,
- 7 they will -- inbound plumbing is done, electrical is done.
- 8 So the brickwork is going up. We still intend to occupy
- 9 that in March of '19.
- 10 Go ahead.
- 11 The Marriott, we know, is open and thriving. But
- 12 more importantly is the work has been done at the
- 13 Playground, the adjacent restaurants. If you haven't been
- 14 to the new Playground, I would encourage you to go. It
- 15 has a spectacular rooftop bar.
- 16 The Moxy, the hotel on top of the Depot Plaza
- 17 Garage, we heard from the developers in the city is still
- 18 a go.
- 19 The TCC Caliber Hotel, we heard from the
- 20 developers is still a go. It goes in that little green
- 21 space down there about 5:30 o'clock. And they're coming
- 22 down to meet with us in --
- MR. COLLINS: April. April 9th.
- 24 CHAIRMAN MCCUSKER: Two weeks.
- The Mercado Annex hopefully will be open here in

- 1 a month, or less than two months, they tell me. It's
- 2 15,000 square feet of retail, totally leased up.
- This is the recent rendering for City Park. The
- 4 next slide is the status of City Park. So, a meeting with
- 5 them the other day, they intend to occupy this, believe it
- 6 or not, in June.
- 7 MS. COX: June?
- 8 MR. HILL: June?
- 9 CHAIRMAN MCCUSKER: Yeah.
- 10 So back up and look at that slide, Brandi.
- 11 MS. COX: Three months. Wow.
- 12 CHAIRMAN MCCUSKER: Now remember the bottom is a
- 13 food hall. That's all retail. A number of local
- 14 restaurants, they tell me, will occupy space with common
- 15 seating.
- 16 Hexagon is now taking three floors, they've
- 17 expanded by 10,000 square feet. And then they still have
- 18 a bowling alley and rooftop bar.
- 19 MS. COX: So, Fletcher, how many employees --
- 20 CHAIRMAN MCCUSKER: Two hundred Hexagon
- 21 employees.
- MS. COX: Great.
- MR. IRVIN: The thing that's kind of cool about
- 24 them is they bring in people from all over the country,
- 25 training and whatever. And there's typically about 10

- 1 people that are there all the time, that are coming in
- 2 from different parts of the world.
- 3 MS. COX: Yeah.
- 4 CHAIRMAN MCCUSKER: This is a rendering of the
- 5 Marist. The next slide is the current status of the
- 6 Marist.
- 7 I think some people have toured that. I haven't
- 8 made the tour. But I know Mark and Chris, you saw the
- 9 work being done, it's an extraordinary project.
- 10 MR. SHEAFE: Yes.
- 11 CHAIRMAN MCCUSKER: This is Cathedral square. Of
- 12 course we're doing the street-scape part of that, the part
- 13 to your right there, which totally opens up that
- 14 extraordinary Cathedral. They're expecting that
- 15 visitation for that could go from 400,000 a year, to
- 16 upwards to 2 million a year.
- 17 MS. COX: Beautiful.
- 18 CHAIRMAN MCCUSKER: Go back one slide.
- 19 It's just really a spectacular project.
- MS. COX: Spectacular.
- 21 CHAIRMAN MCCUSKER: This is Ochoa Street.
- 22 Remember, we're only putting \$1 million into this
- 23 \$19 million renovation, which really opens up our
- 24 Cathedral, which was -- is circa 1860.
- That's the new convention center they're building

- 1 in the middle. And in exchange for our roadwork, the
- 2 diocese will open a cafe restaurant to the public in that
- 3 building.
- 4 This is the current steel going up. These are
- 5 just a few days.
- 6 Scott Avenue is done. More than just narrowing
- 7 the street and beautifying the street is we added sidewalk
- 8 cafe seating, so all the restaurants there on the west
- 9 side can now expand their restaurant activity into the
- 10 street.
- We're going to talk about 75 East Broadway today.
- 12 But this is the parking lot. And the next slide, of
- 13 course, is the rendering of the extraordinary project by
- 14 JE Dunn. Two floors of retail. And it could go as high
- 15 as 20 stories.
- 16 Sunshine Mile, we'll talk about that today, we
- 17 have confirmed that 39 properties on the north side of
- 18 Broadway will be deeded over to us.
- 19 And I think -- you going to hand this out, Dan,
- 20 so we can see it better.
- MS. HAGA-BLACKMAN: I don't --
- 22 MR. MEYERS: We don't have any handouts. We're
- 23 supposed to.
- 24 CHAIRMAN MCCUSKER: Can that be expanded or
- 25 separated?

- 1 MS. HAGA-BLACKMAN: Yeah.
- 2 CHAIRMAN MCCUSKER: The other thing we've done,
- 3 which I think is part and parcel as to why we've been so
- 4 successful in Phoenix is, we've shown the economics of
- 5 every single project -- what we put into it and what the
- 6 private sector's put into it, the construction tax it
- 7 generates. And, again, our leverage is really speaking
- 8 for itself. So we wanted to share that with the board and
- 9 the public.
- 10 We still can't see it, unless you're going to
- 11 have one to hand out. We're going to have to get it a lot
- 12 bigger.
- MS. HAGA-BLACKMAN: Can you read that?
- 14 CHAIRMAN MCCUSKER: No.
- MR. COLLINS: You're too young.
- 16 CHAIRMAN MCCUSKER: Yeah, you can read that.
- MR. SHEAFE: You'll post it on the site.
- 18 MR. COLLINS: Right.
- 19 CHAIRMAN MCCUSKER: I can see it enough to touch
- 20 on it. So what we've done --
- 21 Dan, if you want to come up, we'll combine this
- 22 with your financial report.
- MR. MEYERS: Okay.
- 24 CHAIRMAN MCCUSKER: What Dan did for us was
- 25 identify every single capital project since we started

- 1 with the convention center. And we've separated the money
- 2 that we've invested, versus what money we've committed,
- 3 which we've yet to spend, and what the private sector is
- 4 committed to our spending. So you just go down through
- 5 the list.
- Then the other thing, when we had it, we
- 7 identified the construction sales tax.
- 8 So the City Park project which we just looked at,
- 9 remember, is the \$27 million project, we're only putting
- 10 up 2.6 million of that. So, again, 11 to 1. Generates a
- 11 million and a half dollars just in sales, construction
- 12 sales.
- 13 Hexagon, another very well leveraged project, our
- 14 money committed only a million three, the private sector
- 15 is putting in nine four.
- 16 And just as you go down the list, there's the
- 17 Marist project, we only put 350 grand in that. And you
- 18 may remember we committed to a million three, but they
- 19 assured us we might get the million back, and indeed we
- 20 did. So we've only invested 350,000 in that \$24 million
- 21 project.
- 22 Cathedral Square, similarly leveraged, our
- 23 investment is \$1 million into a \$19 million project.
- 24 Caterpillar building, we will spend, total,
- 25 including the remediation, about 7.8 million. Caterpillar

- 1 is spending almost 50 million.
- 2 The Mercado Annex, so this is one of our least
- 3 leveraged projects, but remember it was in foreclosure, so
- 4 had we not dealt with that, there wouldn't be a Mercado
- 5 Annex.
- 6 So we acquired the bond agreement from the city,
- 7 that was a million two. So we've invested, you know,
- 8 3 million and change into a project where the private
- 9 sector is investing 12.
- 10 So those are actual dollars spent and are
- 11 committed.
- 12 And, Dan, if can you help me read it, I think
- 13 it's 16 million 450?
- MR. MEYERS: Yes, that's correct.
- 15 CHAIRMAN MCCUSKER: Over \$141 million.
- So, this is really hard for anyone to argue about
- 17 our ability to leverage our deals.
- 18 Clearly, the most popular thing we hear from
- 19 lenders and developers is the site specific sales tax
- 20 rebate. Part of what the state really liked about this
- 21 story is we're only rebating the Rio Nuevo portion of the
- 22 sales tax.
- So, for every dollar we rebate, the state gets
- 24 the dollar, the city gets the dollar, the school districts
- 25 get their portion of it. So we're only rebating our

- 1 portion of the sales tax. And again, unbelievable
- 2 leverage.
- 3 Starting with the AC Marriott, you know, 10 times
- 4 leveraged.
- 5 The Moxy, six times leveraged.
- 6 75 East Broadway, again, because of the retail
- 7 component, you know, over \$2.5 million of retail taxes
- 8 just from that one project. Their rebate could hit
- 9 \$22 million. But against \$120 million bill.
- The Caliber Hotel, similarly, \$2.5 million rebate
- 11 cap for a \$24 million project. And our smallest deal was
- 12 to bring to the house club where we put up about half of
- 13 the money. Again, great leverage.
- Dan, I think that's 34 over \$207 million?
- MR. MEYERS: Yes.
- 16 CHAIRMAN MCCUSKER: Over \$207 million.
- 17 Then finally, just so we could account for the
- 18 money, the last piece of that, our projects where we did
- 19 not have partners, these are things I would consider
- 20 government responsibilities, like the TCC, the Roadrunner
- 21 improvements, the Greyhound, the Mission Garden, Fox
- 22 Theater.
- So we've spent, without any private sector
- 24 health --
- 25 Scroll down, Brandi -- 16 --

- 1 MR. MEYERS: 16 million.
- 2 CHAIRMAN MCCUSKER: 16 million.
- 3 So even when you combine cash, with cash where we
- 4 had no partners, you see the total cash of 32 million,
- 5 produced \$360 million of budget. And I think this is why
- 6 we're winning the majority of member support of the
- 7 legislature.
- 8 So we're going to post this to our website. And
- 9 you guys might want to arm yourself with it, if anyone --
- 10 again, we've had several people criticize us for wasteful
- 11 spending. But this is, clearly, just the opposite.
- Dan, how is the money in the bank?
- MR. MEYERS: Okay. So, at the end of February
- 14 we've got about \$5.9 million available cash. And
- 15 commitment within the next year or so is about 3.9
- 16 million. So we've got a \$2 million spread.
- I think my report last month, with all these
- 18 forms, somehow failed to update the cost to date on the
- 19 Caterpillar building. So, it wasn't as grim as I had
- 20 reported last month.
- 21 You know, the good news coming up, December tiff
- 22 money collected in early March was 1.17 million, which
- 23 again our budget is 1 million.
- So, we're now, Brandi and I are, my efforts to
- 25 track down some of these merchants that haven't filed

- 1 properly is starting to come to fruition. I'm optimistic
- 2 for what's going to happen the rest of this year. We've
- 3 got six more months to collect. We've not received
- 4 January yet, and we won't do until probably April.
- 5 And then again, as I mentioned at the last
- 6 meeting, May and June we get to keep 100 percent of what's
- 7 collected, instead of having the \$790,000 set aside into
- 8 the debt service reserve to pay our bonds.
- 9 CHAIRMAN MCCUSKER: So this 5.8 million is before
- 10 that --
- 11 MR. MEYERS: That's what's in February.
- 12 CHAIRMAN MCCUSKER: So by the end of the summer
- 13 we should have almost \$9 million versus the 3.8 of
- 14 commitments, is that --
- 15 MR. MEYERS: I think 9 million is a little
- 16 optimistic. I clearly expect --
- 17 CHAIRMAN MCCUSKER: 8?
- 18 MR. MEYERS: Might not be too far off. Between 8
- 19 and 9, I think.
- 20 MS. COX: Could I ask, so there are no
- 21 commitments to date for that \$9 million?
- 22 CHAIRMAN MCCUSKER: The stuff on the bottom --
- MR. MEYERS: Stuff on the bottom is committed.
- 24 CHAIRMAN MCCUSKER: Other than Caterpillar, it's
- 25 very small.

- 1 MR. MEYERS: Some of that stuff is in the next
- 2 month or two.
- 3 MS. COX: I see. Okay.
- 4 MR. MEYERS: So, I think by the time --
- 5 CHAIRMAN MCCUSKER: We should probably show it,
- 6 although we have to consult with Mr. Collins, we've
- 7 tentatively committed somewhere in the 1.1 million range
- 8 to the 75 East Broadway project. It's probably safe to
- 9 show that as a commitment. We're going to update everyone
- 10 on that in the regular session. But I would identify that
- 11 as committed.
- MR. MEYERS: Okay.
- 13 CHAIRMAN MCCUSKER: Any other questions for Dan?
- MR. MEYERS: Thank you.
- 15 CHAIRMAN MCCUSKER: Okay. First up is the
- 16 Sunshine Mile. Quick update on the status of the Sunshine
- 17 Mile and the three government parties that are working on
- 18 this project. We understand the RTA has agendized the
- 19 intergovernmental agreement for next Thursday. They would
- 20 be the final entity to approve and sign that.
- 21 We have been told they don't expect any problems
- 22 with that. So, once that's signed, there will be a
- 23 tri-party agreement between Rio Nuevo, the City of Tucson,
- 24 and the RTA, to focus on what everyone called the remnant
- 25 properties on the north side of Broadway that are affected

- 1 by the widening.
- We now know that's about -- not about -- it is
- 3 exactly 39 individual properties located on the north side
- 4 of Broadway, that once the IGA is signed, the City of
- 5 Tucson will deed over to Rio Nuevo.
- 6 What we committed to do in the IGA is we would
- 7 submit a block-by-block plan to the RTA, which would
- 8 result in a development agreement, which we would then
- 9 also present to the City of Tucson.
- There will be some zoning changes required,
- 11 because we will need some cooperation regarding parking
- 12 and setbacks and other kinds of requirements that the
- 13 roadway will affect.
- 14 The first item for us to consider would be to
- 15 bring on some help. We've had a great opportunity to
- 16 enjoy a relationship with the Project For Public Spaces, I
- 17 would very much like to include them as we go forward.
- 18 And then we're probably going to want to recruit
- 19 some architectural assistance as we look at these
- 20 properties, both singularly and all 39 of them maybe
- 21 together.
- MR. SHEAFE: Mr. Chairman, why don't we -- I'll
- 23 make a motion that we allocate a \$50,000 budget to acquire
- 24 services of expending the Project For Public Spaces and
- 25 for consulting architecture work, as we kind of move this

- 1 thing to the next step.
- 2 MR. MARQUEZ: I'll second that.
- MS. COX: Is that enough?
- 4 MR. IRVIN: That was my question.
- 5 MS. COX: Yeah, I wonder if it wouldn't make more
- 6 sense to bump that up a little bit, to make sure we don't
- 7 have to come pull things up to come back here.
- 8 MR. SHEAFE: Well, since you brought it up, that
- 9 would probably make perfect sense.
- MS. COX: Thank you.
- 11 CHAIRMAN MCCUSKER: All right. So we have a
- 12 motion and accepted it, sir, so we've got to --
- 13 MR. SHEAFE: I would accept an amendment to my
- 14 motion.
- 15 MS. COX: I would like to amend the motion to
- 16 increase that by 25,000.
- 17 CHAIRMAN MCCUSKER: He can restate his own
- 18 motion.
- MS. COX: Okay, good.
- 20 CHAIRMAN MCCUSKER: Try again?
- 21 MR. SHEAFE: Yes. I meant to say 75,000.
- MR. MARQUEZ: Second.
- 23 CHAIRMAN MCCUSKER: Okay. So the motion is
- 24 authorized up to \$75,000 for continued consultation to the
- 25 Project For Public Spaces, and for architectural

- 1 assistance. I gathered that in your motion it's both of
- 2 those.
- 3 MR. HILL: Point of order. I think probably we'd
- 4 say we tabled the first motion, in going on to the second
- 5 one.
- 6 CHAIRMAN MCCUSKER: All right.
- 7 MR. HILL: I think that would be the --
- 8 MR. COLLINS: Mr. Chairman of the Board, I would
- 9 defer to Mr. Hill.
- 10 CHAIRMAN MCCUSKER: I don't know if I can do
- 11 that?
- MR. HILL: Yes, sir, you can.
- 13 CHAIRMAN MCCUSKER: All right. I'm going to
- 14 table the first motion for \$50,000.
- We're now going to entertain the second motion
- 16 for \$75,000.
- 17 Brandi, call the roll.
- 18 (Ayes.)
- 19 CHAIRMAN MCCUSKER: By vote of 6-0 we passed that
- 20 unanimously.
- I think what goes hand in hand with that,
- 22 Mr. Sheafe, would be to instruct counsel to prepare an RFQ
- 23 for --
- MR. SHEAFE: Would you like a motion?
- 25 CHAIRMAN MCCUSKER: I think that would help.

- 1 MR. SHEAFE: My motion would be that we authorize
- 2 counsel to prepare an RFQ to architectural firms to help
- 3 us with those services.
- 4 CHAIRMAN MCCUSKER: And RFQ stands for request
- 5 for qualifications.
- 6 MR. HILL: Thank you, Mr. Chairman.
- 7 CHAIRMAN MCCUSKER: I did not hear a second.
- 8 MR. MARQUEZ: Second.
- 9 CHAIRMAN MCCUSKER: Brandi, call the roll.
- 10 (Ayes.)
- 11 CHAIRMAN MCCUSKER: By a vote of 6-0 we passed
- 12 that motion.
- So we'll move on to item eight, 75 East Broadway.
- 14 This is an update only.
- Mr. Collins, how we doing?
- 16 MR. COLLINS: Mr. Chairman, members of the board,
- 17 at your last meeting you authorized the finalization of
- 18 the development agreement in accordance with the
- 19 discussion that we had in E session, and the execution of
- 20 that agreement.
- 21 That agreement, verbatim, has now been executed
- 22 by Dunn. It is ready for execution by executive officers
- 23 of this board. We have a little typo cleanup that has to
- 24 be done. I would expect it to be fully executed by
- 25 tomorrow.

- 1 So, the 120 days we talked about will begin to
- 2 run. The due diligence will have to be completed. And
- 3 away we go.
- 4 CHAIRMAN MCCUSKER: Will you remind everyone what
- 5 we entered into? You mentioned it was 120 days, so --
- 6 MR. COLLINS: All right.
- 7 CHAIRMAN MCCUSKER: Basically, 120-day free look
- 8 is what --
- 9 MR. COLLINS: Exactly.
- 10 CHAIRMAN MCCUSKER: -- people in real estate
- 11 would refer it as.
- But it's in escrow. Either party can terminate
- 13 the agreement for any reason during that 120 days.
- MR. COLLINS: No, everything is correct,
- 15 Mr. Chairman, except we don't go into escrow.
- 16 CHAIRMAN MCCUSKER: Okay.
- 17 MR. COLLINS: What happens is, during the first
- 18 120 days we will do the due diligence on the property. We
- 19 -- this board will do the due diligence on the property,
- 20 which you would do for whomever was going to be developing
- 21 the property. We will get that done.
- 22 We will then complete our negotiation of a ground
- 23 lease with Pima County. As you know, Pima County owns
- 24 that parcel right now. And so we would prepare the ground
- 25 lease.

- 1 We would also negotiate and hopefully finalize
- 2 the sublease, so the district would lease the ground from
- 3 the county, sublease it to the developer, so the developer
- 4 could prepare the permits and do all that sort of thing.
- 5 At the end of 120 days we hope to have the
- 6 sublease and ground lease executed, and the ultimate
- 7 long-term lease prepared.
- 8 That's the next stage. That's the design and
- 9 development stage, which currently is 12 months. At the
- 10 end of that 12 months, the target is for construction to
- 11 commence.
- 12 And then there's a question of whether it's 24 or
- 13 26 months afterwards for C of O.
- So we're in three stages. This begins our first
- 15 one.
- 16 CHAIRMAN MCCUSKER: And the groundwork in this
- 17 120 days includes the survey, property border survey, and
- 18 ALTA survey, which is environmental.
- MR. COLLINS: No.
- MR. IRVIN: Phase one.
- 21 CHAIRMAN MCCUSKER: Phase one.
- 22 MR. COLLINS: Phase one is environmental,
- 23 correct.
- 24 CHAIRMAN MCCUSKER: Archeology, because we know
- 25 it's a sensitive site.

- 1 MR. COLLINS: Yes.
- 2 CHAIRMAN MCCUSKER: And we have to have that
- 3 cleared by the appropriate contractor.
- 4 MR. COLLINS: Yes. It's required by ordinance to
- 5 do that.
- 6 CHAIRMAN MCCUSKER: And then if all that works,
- 7 we move on to utilities and that.
- 8 MR. COLLINS: Right. Some of the additional
- 9 money that the district will spend, if we get past
- 10 120 days, and sign the lease and sublease, will be
- 11 completing the design necessary to bring -- sub out the
- 12 utilities to the site, which doesn't appear to be a very
- 13 big number at the moment, and do some more of the
- 14 archeology, before the big expenditures.
- So, frankly, it's 120 days to do the initial,
- 16 what I call basic due diligence, plus geotech. These
- 17 folks need -- if they're going to go up 20 stores, they
- 18 need some geotechnical studies. They're engaging the
- 19 geotech outfit to do that. This board agreed to reimburse
- 20 them for that.
- That and the lawyer work is what's going on in
- 22 the next 120 days. It's -- then the next 12 months is
- 23 going to be the designing part of it.
- 24 CHAIRMAN MCCUSKER: So we'll only see you if
- 25 something bad happens.

- 1 MR. COLLINS: Yeah, that's probably a fair
- 2 statement.
- 3 MR. SHEAFE: We've already allocated the funding
- 4 for this.
- 5 CHAIRMAN MCCUSKER: Right.
- 6 MR. SHEAFE: So we're really, at this point, free
- 7 to run, as long as this motion passes.
- 8 MR. COLLINS: Yeah, you have --
- 9 MR. SHEAFE: This isn't a motion --
- 10 CHAIRMAN MCCUSKER: We've approved everything.
- 11 We've already approved everything.
- 12 MR. COLLINS: Right, right.
- 13 CHAIRMAN MCCUSKER: Soon as we execute this
- 14 agreement now.
- MR. COLLINS: And agreement -- execution of the
- 16 agreement has already been authorized. You did that at
- 17 the last meeting. That's why I started the way I did.
- MR. SHEAFE: Sure.
- 19 MR. COLLINS: What had been signed by Dunn is
- 20 what we discussed in the past.
- 21 CHAIRMAN MCCUSKER: So that 120 days will start
- 22 when we countersign.
- MR. COLLINS: Yep. Yes, sir.
- 24 CHAIRMAN MCCUSKER: Which should be Thursday, at
- 25 the latest.

- 1 Any other questions for Mr. Collins on 75 East
- 2 Broadway?
- 3 Okay. Item nine and our final item, Toole
- 4 Avenue, a few months ago Steve and Zack Fenton presented a
- 5 project to us through their attorney, Keri Sylvin, to
- 6 develop a restaurant at the corner of Toole and 7th
- 7 Avenue.
- 8 We expressed a great dealt of interest in that,
- 9 including the opportunity to enter into a GPLET. Any time
- 10 we engage in those conversations it requires a third-party
- 11 evaluation, signing off on the economics, we've done that.
- 12 And Mr. Collins has been dutifully preparing GPLET lease.
- 13 So --
- MR. COLLINS: That's correct.
- 15 CHAIRMAN MCCUSKER: So are ready to go with our
- 16 end of that?
- 17 MR. COLLINS: Well, you could consider
- 18 authorizing the executive officers and counsel to finalize
- 19 the draft GPLET lease that we discussed in E session,
- 20 provided that there are no material changes.
- MS. COX: So moved.
- MR. MARQUEZ: Second.
- 23 CHAIRMAN MCCUSKER: Any discussion? Everybody
- 24 understand the motion?
- 25 Brandi, call the roll.

```
(Ayes.)
1
2
              CHAIRMAN MCCUSKER: By unanimous vote 6-0 we've
    authorized counsel to finalize the GPLET. The developer
3
    will take that to the city to discuss the excise tax
     issue, which we have nothing to do with.
5
              MR. COLLINS: Well, the study and the lease, when
6
7
     it's finalized, come from the district. But the city is
8
     the one -- the only one that can abate the excise tax.
9
              CHAIRMAN MCCUSKER: And the applicant, as the
    developer.
10
11
              MR. COLLINS: Correct.
12
              CHAIRMAN MCCUSKER: Okay. Call out to audience.
13
              Brandi, anyone?
14
              Entertain a motion to adjourn.
              MR. IRVIN: So moved.
15
16
              MR. MARQUES: Second.
              CHAIRMAN MCCUSKER: All in favor say aye.
17
18
              (Ayes.)
19
              (3:31 p.m.)
20
21
22
23
24
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Page 27
1
                        CERTIFICATE
     STATE OF ARIZONA
2
                        ) ss.
    COUNTY OF PIMA
 3
               BE IT KNOWN that I took the foregoing
    proceedings pursuant to Notice; that I was then and there
5
    a Certified Court Reporter, Certificate No. 50429, in the
6
7
     State of Arizona; that said proceedings were reduced to
8
    writing by me.
9
               I DO FURTHER CERTIFY the ethical obligations set
     fort in ACJA 7-206(J)(1)(g)(1) and (2) are in compliance;
10
     that I am not a relative or attorney of any party, or
11
12
     financially or otherwise interested in the action.
13
14
               WITNESS MY HAND this 23rd day of March 2018.
15
16
                   Patricia Gerson, RMR
                   Certified Court Reporter #50429
17
18
    KATHY FINK & ASSOCIATES
19
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    Registered Reporting Firm
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