BOARD MEETING

Tucson, Arizona
May 22, 2018
12:59 p.m.

REPORTED BY:
Thomas A. Woppert, RPR
AZ CCR No. 50476

KATHY FINK & ASSOCIATES
2819 East 22nd Street
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BOARD MEMBERS PRESENT:

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

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 THOMAS A. WOPPERT, RPR, Certified Reporter No. 50476, on the 22nd day of May 2018, commencing at the hour of 12:59 p.m.
CHAIRMAN McCUSKER: Okay. We are going to call this meeting to order.

Chris, do you want to lead the pledge?

(Pledge of Allegiance recited)

CHAIRMAN McCUSKER: Okay. You have received the transcripts from the April 24th meeting. You'll notice my voice is booming under our new system, so you don't have to get too close to the mic. You will resonate throughout the whole room.

And we also need to be careful about stepping over each other because it will be really loud if we're all trying to talk at once, plus it makes it really hard for the transcriptionist, so keep that in mind.

Thanks for the sound system.

So you have the transcript from April 24th. It's verbatim unless you see a correction or a change that's needed.

MR. IRVIN: Motion to approve.

MS. COX: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: We approved the minutes.

This is the time we set aside for executive session. We need a motion to recess.

MR. IRVIN: So moved.
MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: So we'll be back here in 45 minutes or so.

(Recess)

CHAIRMAN McCUSKER: May we have a motion to reconvene.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: We're back in regular session. Thank you for your indulgence. I was about 30 minutes off my predictions, but you can see from our executive session agenda we have a lot of real estate stuff going on. That's the good news. Because we only meet once a month, that's the opportunity for the whole board to talk to our attorneys regarding real estate transactions, so some of these are complicated and complex. But the good news is we have a lot of stuff going on. It should shorten the public session of the meeting because some of the things that are teed up are not quite ready for prime time.

It is an exciting time for us. Last week Caterpillar put the last piece of steel beam on top of their building. They have about 300 employees. I rode the streetcar over from their current office to the new
office and I'm really quite proud of their new facilities, the legacy that they're creating. And, of course, they continue to upsize their expectations on that project. We can report that the project is ahead of schedule and actually ahead of budget, so so far, so good.

The Mercado I think is now finally open. It had some C of O issues, but I think they've resolved all those. They're right across the street from Caterpillar's open.

And you can tell from our agenda we have a lot of stuff that we're discussing regarding large-scale real estate projects and even some small-scale projects that have been overlooked for some time. Indeed Rio Nuevo is open for business.

So, Dan, will you give us your financial report.

MR. MEYERS: Good afternoon. I'm Dan Meyers, CFO for Rio Nuevo.

As of April 30th, we've got about $5.1 million in the bank. Our outstanding commitments at this time are about 3.2 million, leaving 1.9 available.

In April we paid for the improvements and drainage over on the (inaudible) side for 855,000, so you'll see there's nothing remaining there.

We had some significant rebates as those come
online and we're getting those set up.

April was the last of our debt service we need to put aside, so, again, April, May and June, the money we receive is all ours, so that should add to our surplus.

Coming up in June, we've got some fairly big things going on. We've got our Roadrunner surcharge. We're receiving that, half of which gets put aside into a fund for reinvestment in the -- in the TCC for hockey improvements.

We're going to have to come up with a balance for the Greyhound debt service. Greyhound pays us monthly rent and that pretty much covers the principal. We have -- we're still responsible for the debt service and the interest on that, and that's about 140,000. And I anticipate having a couple hundred thousand dollars going out for rebates to our merchants. So, again, that money comes in to us and is redirected back to them as opposed to coming up with money up front.

In May we received just under $1.2 million for our February TIF. We're about $22,000 behind budget, but I fully anticipate us exceeding our budget as we receive TIF revenue for the last four months of this fiscal year. I think we're going to come in probably about $3 million with a cash surplus for this fiscal year.

I'm in the process of kind of wrapping up the
upcoming year budget. Hopefully by the beginning of next week, that will be in a form where I can run it past some board members and get some input and see if that's -- if everything's in line, then we'll finalize it at the next board meeting.

Any questions?

MR. MARQUEZ: Mr. Chairman.

CHAIRMAN McCUSKER: Edmund.

MR. MARQUEZ: Dan, I know you and Brandi have done a fantastic job of actually reaching out to the retailers and trying to educate them on how to code correctly on their tax -- we call it return, tax form. Where would you say we stand with that? Like how big or small is that issue with people filling out their tax form correctly?

MR. MEYERS: It's much less than it was because, you know, we've gone back and some of the merchants have amended and now you can see them filing properly month after month. We've still got some significant merchants that for one reason or another have not come on board yet and we're constantly calling them and reminding them.

And some of the stuff, especially the bigger corporations, it's hard to find the source to get that done, but I think we're having a lot of luck. Brandi's
spending time finding some of the smaller merchants that just for one reason or another have not come on board, so I think this number is going to -- we're going to keep seeing this number going up a little bit and we're going to see some significant corrections still, but, you know, those are getting less and less all the time, but I think we're really on top of it now.

MR. MARQUEZ: Thank you.

CHAIRMAN McCUSKER: Mr. Hill.

MR. HILL: Dan, I also notice that the streetscapes that was, gosh, seven or years ago, we settled with the city for that and the number for paid seems never, you know, to rise dramatically. What's going on? Are they their dragging their feet or --

MR. MEYERS: We just got a ton of invoices this month --

MR. HILL: Okay.

MR. MEYERS: -- going back to the end of last year. I don't know what the holdup was, but we're going to make that about $425,000.

MR. HILL: Okay.

MR. MEYERS: I'm waiting to see actual official invoices as opposed to just some things from the city of Tucson, so we're on top of that. Those should get paid later this month.
MR. HILL: Okay. So they're doing something constructive with that then?

MR. MEYERS: Yes.

MR. HILL: That's good to hear. Thank you.

MR. MEYERS: Any other questions?

CHAIRMAN McCUSKER: I think just in terms of rough math, we'll see the budget probably next month for the next fiscal year, but, you know, between now and 2025, we expect to net somewhere in the neighborhood of three to five million a year. Property leveraged, that could be worth 10 times that. That's what we've been able to do, particularly by using tax rebates, which are future dollars. Remember in 2025 this debt service is deleted, so that's 11 million a year that will drop to the bottom line starting with our extension period.

Thank you very much, Dan.

Item number seven, quick update, a couple things here that will require a board conversation just by way of updating on the status of what we call the Sunshine Mile.

The city's in the acquisition process and I would say nearly complete acquiring the properties that are affected by the widening. There are 39 of those properties located on the north side of Broadway that will be titled to Rio Nuevo. It basically represents three
blocks of properties that we will be given the opportunity
to renovate.

The objective there is to partner with the
private sector, renovate those properties and place them
back into service as retail or restaurant. The tax
implications, of course, are huge, properties that would
otherwise be vacant versus properties that are food,
beverage and retail.

We do want to bring back the Project for Public
Spaces to help us with that. That's also an agenda item
for today. And we're going to involve local architects as
we move forward on those projects. So the RTA, the city
and Rio Nuevo have signed the intergovernmental agreement
that establishes the ground rules for these properties.
If and when they're sold, the proceeds go back to the RTA.
So that's the plan going forward.

And we're looking specifically at the Solot
Plaza block. That's Tucson Tamale, Perimeter Bicycle
Association, other members that are there, the -- what I
call the doughnut hole block, that's Plumer east, and then
the bungalow block are all projects that we intend to
renovate and return to retail.

There is one property in that block that the
city has determined has adequate parking that they will
not acquire. Mark Irvin and Chris Sheafe have been
looking at that property specifically for an independent acquisition. We're going to talk about that here in a minute. And then we also want to talk about how we involve our local architecture community in helping us with this will project.

So, Mark, talk about the building.

MR. IRVIN: So we've got a building on Broadway that's -- as we've talked about, is the doughnut hole building. It's the only piece in that block that is not going to be taken by the city. We think it's a very material piece of what we're doing. And as we talked about in executive session, I'd like to see the board move forward with approving that purchase. I think it fits really well with everything else we're doing on that block. I think probably the only question that we have is would that be part of the overall RFP when it's issued for that block or would this one piece maybe stand out as a separate piece to be -- to be decided. But I -- I concur, Chairman. I think we would be remiss in not moving forward to purchase that. We'd end up with everything around this developed and then one piece in the middle that's not.

CHAIRMAN McCUSKER: What's the address --

MR. IRVIN: 2221.
MR. SHEAFE: Because there are 16 other properties on that block that we will be taking over through the rest of the intergovernmental process.

MR. IRVIN: Correct.

CHAIRMAN McCUSKER: Someone make a motion.

MR. SHEAFE: Well, I move that we authorize the executive committee to move forward --

MR. IRVIN: Officers.

MR. SHEAFE: The executive officers to move forward on the acquisition of the 2221 property.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: Is that sufficient enough, Mr. Collins, for us to take action?

MR. COLLINS: Mr. Sheafe, if you consider amending your motion to proceed with it as discussed in E session.

MR. SHEAFE: I would make that amendment that we will proceed as discussed in E session.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: So we have a motion and an amended motion, both were seconded, to allow the executive officers and counsel to proceed with the acquisition of property located at 2221 East Broadway.

Mr. Hill.

MR. HILL: Point of order. An amendment would
take two votes, so we're not really amending. He was just
correcting or changing his motion.

CHAIRMAN McCUSKER: So we did have two
amendments and a second, so are you fine restating that as
your motion?

Is my phone on?

(Discussion off the record)

CHAIRMAN McCUSKER: All right. So we have a
motion as restated to authorize the executive officers and
counsel to proceed with the acquisition at 2221 East
Broadway.

MR. COLLINS: As discussed in executive
session.

CHAIRMAN McCUSKER: As discussed in executive
session.

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.

By your vote of 6-0, we will proceed with that acquisition and keep everybody posted.

The other item on this agenda item is the discussion and hopefully release of an RFQ to entertain the acquisition of architect and contractual assistance to help us with these projects.

Mr. Collins, you have a draft?

MR. COLLINS: Mr. Chairman, members of the board, yes. It's a basic straightforward design-build draft. It would be issued seeking ideas from the public on how they would like to see or what they think ought to happen to these various parcels.

I believe the way that we would do this is, once we've identified all the parcels, we could issue one RFP with all of the parcels attached as separate units or an RFP for each of the three blocks that Mr. Chairman has talked about.

The template is ready to go. All I would need, should you be so inclined, is a motion to release the templates once they're finalized for each of the three plots.

MR. IRVIN: Do we need to at that point in
time, Mark, in any motion address whether we want three or
four of those or is that something that could be left to
the executive officers, no less than three, but maybe
four?

MR. COLLINS: I would urge you to leave it to
the executive officers' discretion on how to -- how many
RFPs to issue.

MR. SHEAFE: Is their flexibility built into
the RFP that would allow somebody to take a portion of it
and say we would like to present a plan on just this
piece?

MR. COLLINS: Yes, of course.

MS. COX: Just the piece of one block?

MR. IRVIN: Correct.

MS. COX: I thought one block was a piece.

MR. SHEAFE: Well, that was my question. Would
somebody --

MS. COX: So you could submit a bid to do half
of a block?

MR. IRVIN: No.

MS. COX: No.

MR. IRVIN: I think we would want somebody --

MR. COLLINS: Let me stop you. We've got to
talk one at a time. He's very good at what he does, but
once we start talking over each other, it's a problem.
MR. IRVIN: We're not contemplating that somebody would come in and develop a piece of that. If they're going to take it, they're going to take a block. They're going to take the whole RFP piece.

MR. COLLINS: We can make the RFP say that, but recall that the proposals come in and then are evaluated by the evaluation committee and points are assigned to the proposals. And if -- let's say for a moment that there's one RFP for -- you call it the doughnut hole block comes out and a proposal is only for one property in that doughnut hole, I would guess -- not a guess, I can tell you that the numbering system would not allow that particular proposal to be the highest ranked proposer. I mean, that's -- it's a vetting process, so I think it would be ill advised of a proposer to try to cherry pick one property out of -- out of the group, but I can make that explicit rather than just implicit.

MR. IRVIN: Speaking for myself, I'd rather it be implicit.

CHAIRMAN McCUSKER: At this point, all we need to do is authorize you to finalize and issue the RFQ for design and build assistance in and along the Sunshine Mile.

MR. MARQUEZ: One or more?

CHAIRMAN McCUSKER: One or more.
Somebody make a motion.

MS. COX: So moved.

MR. MEYERS: Second.

CHAIRMAN McCUSKER: Okay. We have a motion on the floor. Any discussion to authorize executive officers and counsel to finish the RFQ, the one or more RFQs for the Sunshine Mile.

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.

By a vote of 6-0 we passed that motion Unanimously.

Item number eight, I can avoid some dilly-dallying around on this project. Just a quick update from our folks at Caliber. They are indeed moving
aggressively on the development plans for the what we call TCC hotel. The site of that's been selected and announced publicly, the southeast corner of the TCC complex. They indeed have a brand franchise which they get to release that they're negotiating. They also have expressed an interest in upsizing the hotel, adding a rooftop pool and larger restaurant and more amenities. We're in favor of all that, but it requires some further negotiations, so I think at this point, all we're really going to do is advise our attorney to keep on chatting with these folks until we can pin down the exact size, scope and site plan for the project.

MR. COLLINS: I agree with that summary, sir.

CHAIRMAN McCUSKER: Okay. Item number nine, Presidio Duplex. If you're not familiar with this property, Rio Nuevo has owned for as long as any of us have been on the boards a vacant historical property adjacent to the Presidio. It's dated, Jannie, to about 1868, 1870, something like that. We are inclined to help renovate that and put that building into service as food, beverage and retail. And I think we have some folks here that want to talk to us about that.

Jannie, this is your item.

MS. COX: This is Amy Hartmann-Gordon from El Presidio. She is executive director of the museum.
MS. HARTMANN-GORDON: May I approach the bench?
Hello, members of the Rio Nuevo board.
CHAIRMAN MCCUSKER: Please state your name.
MS. HARTMANN-GORDON: My name is Amy Hartmann-Gordon. I'm executive director of the Presidio Museum, which is managed by the Tucson Presidio Trust, a nonprofit organization.

A couple quick introductions. The president of our board is here also. His name is Homer Thiel.
Raise your hand.
And my vice-president of the board sat here patiently for an hour and a half and left, and that was Mr. Mark Clark, who I think some of you know. And also I'm happy to share that Mr. Ray Flores is here who represents the Charro group and the Flores family.

This is a brief presentation on the building. This building is located at Court and Washington Streets. It's a duplex, originally an apartment building, 198 and 200 North Court Avenue. If you know a little bit about the Presidio, it was a reconstruction that was paid for by Rio Nuevo.

MS. COX: Excuse me. Could we advance the slide to the -- there you go -- to the building.
MS. HARTMANN-GORDON: So this is 198-200 North Court. It is over 100 years old, this building, and it is
part of the complex of the renovated museum. The rest of
the museum is going strong and we are doing many
activities and programs and education and field trips.
This briefly is a reminder of how the property is broken
up now. The red is owned by the city of Tucson, which is
the reconstruction on the fort. The yellow and green is
owned by Rio Nuevo. The yellow part was renovated and is
part of our functioning property. The green is that
duplex. And it's sitting there vacant and abandoned and
pretty deteriorated.

To emphasize what I want to make sure is clear
is this Rio Nuevo property and it is sitting there in a
rather sad state right now.

As I mentioned, the Presidio is very active.
We are the site of the official birthday. We do
reenactments. We have lots of walking tours, including
the Turquoise Trail. We have children's programs and
concerts.

What I really want to get to is talk about the
potential for the Presidio and the potential for the
revenue generation that is not happening. We are very
pleased that we have gotten a liquor license. It was a
long, complicated process, but we got it. And, as you can
see, there is potential for weddings, large events up to
3, 400 people, smaller dinners. And we have been doing
some of that, but we really need the infrastructure to
continue with that.

There's a lot of potential in the whole
neighborhood. This is the historic Presidio district and
we believe that we could create a brand around the
Presidio that would include interesting foods, signature
drinks that would just add to the whole ambiance of the
district.

The site is surrounded by three important
stakeholders. Directly across the street is La Cocina and
Old Town Artisans. If you're familiar with that, that
property was very close to being bankrupt about six years
ago. The owner of Bentley's Cafe came in and she's done
an incredible turnaround. The place is hopping every
Friday and Saturday night. It's about a $2.2 million
business.

El Charro represented by my colleague Ray of
course has been in business for many generations and is
extremely successful. It is right down the street from
us. And those people often come down out of the
restaurant and walk down the street to visit us.

And finally, the Tucson Museum of Art is
undergoing a renaissance as well with a huge renovation
and two and a half million in new acquisitions recently.
They, too, are opening up their museum in new and creative
ways to offer their space for venue rental just like we are wanting to do.

Again, interested partners are El Charro, Downtown Kitchen owned by Janos Wilder and La Cocina across the street. It's important to recognize that La Cocina is -- does not have an air-conditioned space right now, so their season is basically in the fall. And they're sitting there pretty underutilized for three to four months a year, so if we had a space to offer them, they could continue their business.

And, Mr. Flores, would you like to make a brief comment about El Charro and your relationship?

CHAIRMAN McCUSKER: Start with your name for the transcriber.

MR. FLORES: Ray Flores from El Charro.

So these folks approached us a while back about this project. And, of course, the -- the needs of our business have grown because of Rio Nuevo. We have several restaurants, as you know, in the area and we're constantly looking for more space. With the advent of the extra hotel rooms, being that they're a more limited service-type hotel, not necessarily a large convention and whatnot space, we find that the opportunity here to have more just usable space would be an ideal addition to downtown, especially one with this traditional western --
you know, Southern Arizona feel. There's a lot of nice shiny glass stuff coming up, but this kind of building is desperately needed by corporations and other events that are going to be looking for this kind of thing, so the El Charro family is behind this 100 percent and we're here to support it as however we need to.

MS. HARTMANN-GORDON: Ray did comment to me that he thought that the size was -- was a good fit as well because it holds 3 to 400 people and there are a lot of smaller venues and a lot of really, really big venues, but this one's kind of a medium size.

And that's the end. I just have a site plan here to show you a little bit. It's about 1,400 square feet.

CHAIRMAN McCUSKER: Amy, you talk about its historical status. Is this registered? Is this -- have you talked to the historical society about these plans?

MS. HARTMANN-GORDON: This is part of the historic -- a historic district. And, of course, I have the best advice possible from my boss, Homer Thiel, who is one of the most recognized archeologists in town, so yes, we would have to go through the city of Tucson historic preservation office. They have already looked at it and my understanding is that it's important to keep the facade, but you can do a certain amount of work on the
MS. COX: And, Amy, I have a question. This will be something very new to, you know, Presidio, so can you talk to us about how the board feels? Is the board ready to make this transition to be not only there for its historic purpose but also as a venue and how have they responded to this idea?

MS. HARTMANN-GORDON: Yes. So the board has been working on this plan for some time. And at our last board meeting, we specifically made sure to call a vote. The vote was unanimous in support of the Rio Nuevo -- hopefully your vote to proceed with a discussion about how to renovate this building.

The goal and the hope of the board is to create a space that would be multi use, probably have some retail space, some food service space. We recognize that as a museum it's very, very important that we stick to our mission. Everything associated with the building would have to be mission appropriate, but I think that's very doable. You could have a gift shop that is mission appropriate and you could certainly create a retail -- or a venue rental space that would continue to teach what we're trying to teach.

CHAIRMAN McCUSKER: Can you give us your best guess on the scope? You know, is this a, you know,
100,000-dollar project, is this a million dollar project?

MS. HARTMANN-GORDON: We did go out for two
bids and the -- the one that we think is probably the
right range is 400 to $450,000. We are not looking to try
to turn this into a full service space just from the point
of view of reality in terms of how much we think you are
going to be willing to spend, i.e., we're not going to try
to put in a full commercial kitchen. The idea would be to
have kind of a prep space and then work with our
commercial vendors, El Charro or Downtown -- La Cocina.
La Cocina has a kitchen directly across the street, so if
they're doing some food service, they could basically work
out of that kitchen.

The Flores family, of course, has incredible
infrastructure when it comes to catering, so they would
have like a prep space, but it wouldn't be a full-on, you
know, burner and whatever all the stuff is that goes with
a commercial kitchen.

MS. COX: Another point that I think needs
calculation for the group is that if El Charro is catering
an event there, El Charro specifically, El Charro is not
within the district, so how do you see those funds --
those -- the revenues flowing?

MS. HARTMANN-GORDON: Yeah. Great question.

MS. COX: We want to keep them in the district.
MS. HARTMANN-GORDON: Yeah. We've also thought through that a lot. So luckily we do have two great partners. One is a business within the Charro group, which is the Stillwell-Twiggs house. That is located within the Rio Nuevo district. So all the business and catering is going through Stillwell-Twiggs. We would basically be able to post that as tax revenue for you.

Additionally, if we work with La Cocina, that's obviously in the Rio Nuevo district. We're looking at some other vendors as well.

CHAIRMAN McCUSKER: I think if you're retailing those, your address is the TPT designation, so as long as it's being sold in your premises and it's within our district, it's all right -- in the right zip code for TPT purposes.

MR. MARQUEZ: Dan, do you agree with that?

MR. MEYERS: Well, I think it's who's reporting the sale. I mean, whoever completes the TPT form is how they -- it has to be coded properly, so I think it's who's reporting the sale.

MR. SHEAFE: Yeah. Not only who, but they would have to divide that out and we would have to make that a component.

CHAIRMAN McCUSKER: Mr. Collins, so this is a Rio Nuevo owned building, so I'm assuming if we were so
inclined to renovate it, we would have to procure the renovation, yes?

MR. COLLINS: Correct, Mr. Chairman.

MR. MARQUEZ: Mr. Chairman.

CHAIRMAN McCUSKER: Mr. Marquez.

MR. MARQUEZ: I think this is fantastic. I love the fact that we're going to activate a property that's within Presidio that's owned by Rio Nuevo. I move we authorize counsel to move ahead with the procurement of the renovation of the El Presidio duplex.

MS. COX: Second.

CHAIRMAN McCUSKER: I have a motion and second. Discussion? I'm assuming that these bids would come back to us, so we obviously have an opportunity to tweak them or reject them, Mr. Collins, so, you know, I guess what we're asking you to do is go ahead and get some bids.

MR. COLLINS: Correct. And as is always the case, we'll send them out and the board will have -- this board will have the ability to punt if you don't like what you get and accept what you do like, so --

CHAIRMAN McCUSKER: Is the motion sufficient direction for you?

MR. COLLINS: I'm comfortable with it.

CHAIRMAN McCUSKER: Okay. We have a motion and a second to authorize the procurement of the renovations
at the Presidio duplex.

        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.

        By your unanimous vote of 6-0 we passed that motion.

        MS. HARTMANN-GORDON: Thank you for your consideration.
        CHAIRMAN McCUSKER: Thanks for everything. Good luck.

        MS. HARTMANN-GORDON: Thank you Jannie for being a big booster to the Presidio.

        CHAIRMAN McCUSKER: Item number 10 started to be a little mysterious on this, but it's not unlike when we were approached by the Coyotes. We have principals
involved with arena football and indeed have identified Tucson as a likely expansion community. In order to do that, our arena would take some enabling to allow indoor football.

We think that is not a lot of money given that arena football plays inside the existing dimensions of the hockey ice. It would take some dashers and turf, goal posts, some other kind of items to address, but it's probably not more than, say, 350 or $400,000. So I think our interest is to ask the board to authorize that.

Again, we would have to bid that out, so we'd see the final number. And also I think we would want it subject to the commitment from the league, the team, and to acknowledge that a lease has been arranged with the city of Tucson. So if you're in agreement with that, I would need somebody to make a motion.

MR. IRVIN: I'd make that motion, but I think, Mr. Chairman, we need to push that number up to not to exceed 400,000. I know we've looked at some of those preliminary numbers and I'm thinking it's probably going to be a little bit closer to four. Obviously I'd be ecstatic if it was less than that, but I'd like to make that motion subject to it not exceeding $400,000.

MR. SHEAFE: And subject to the other condition --
MR. IRVIN: Correct.

MR. SHEAFE: -- that the city -- we actually have a deal --

MR. IRVIN: We actually have a transaction put together, the league's approved it, all the same things that we did when we brought the Roadrunners to Tucson.

CHAIRMAN McCUSKER: Mr. Collins, some of this is construction, some of it is equipment, things like turf and dashers. How do we procure those things? Can we sole source that or do we have to go through a competitive process?

MR. COLLINS: I'll need to talk to the proposer, if you will, to see what sources are available. It may be a sole source situation, it may not be. I don't know that we'll have another exception to the procurement requirement. I don't believe there's a professional service here, so we're going to have to bid it. I'll try to figure out the way to do it as quickly and efficiently as possible.

CHAIRMAN McCUSKER: Some things that are interesting to us about arena football, if you've not seen indoor football, first of all, it's incredibly exciting. The Rattlers, for example, average 15,000 people to a home game. It is indeed indoors and the ball is live wherever it ends up, so it moves fast, it scores big and it draws a
lot of people downtown.

Their season is summer, so it would be opposite of hockey, so it's a way for us to bring another professional team to town and challenge S & G to fit them into the schedule.

Did we get a motion?

MR. IRVIN: We did.

CHAIRMAN McCUSKER: And a second?

MR. MARQUEZ: Yes.

MR. IRVIN: Yes.

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: Absolutely.

MS. HAGA-BLACKMAN: Jeff Hill?

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: Aye.

By a vote of 6-0, we've approved procurement to attract arena football to Tucson and a yet to be named or
identified team. The Roadrunners didn't listen to me, so they probably won't either.

Project for Public Spaces, item number 11, I touched on that one. We were talking about the Sunshine Mile. We brought them in about a year ago to help us vision what destination along Broadway could become. Their work has been extraordinary. It created a lot of interest from other related parties. This, of course, is the group that's behind places like Bryant Park and the Geronimo neighborhood in San Francisco. We would like to continue to engage them. They submitted a proposal to us for all of the Sunshine Mile work that I believe, Mr. Collins, is right around $140,000 total.

CHAIRMAN McCUSKER: Yeah, but it's 146,000.

CHAIRMAN MCCUSKER: $146,000. So I would need a motion to allow Mr. Collins to enter into a binding agreement in that range.

MR. SHEAFE: I move that we authorize Mr. Collins to move forward with the extension of their agreement with the amount of 146,000.

MR. MARQUEZ: Second.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: Any discussion, conversation?

Brandi, call the roll.
MS. COX: Can we ask you to include in that agreement that they take a look at the Presidio neighborhood as well?

MR. COLLINS: As far as I'm concerned, you can. Mr. Sheafe, it was your motion.

MR. SHEAFE: I have no problem with that addition.

MS. COX: Good. Thank you.

MR. IRVIN: And I have no problem seconding it.

MR. COLLINS: Thank you.

CHAIRMAN McCUSKER: All right. So the conversation is to increase their scope but not their payment to help us with the Presidio --

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: -- work. And following that --

Okay. Brandi, call the roll.

MR. COLLINS: Negotiating on the fly.

CHAIRMAN McCUSKER: 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: Yes.

MS. HAGA-BLACKMAN: Jeff Hill?

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker:

CHAIRMAN MCCUSKER: Aye.

By a unanimous vote of 6-0, we passed that motion.

Item number 12, 123 South Stone. Mr. Collins I probably need you to help me with this, but this is one of the projects that we previously approved with the Peach, Dabdoub coalition to remodel that on behalf of Chris Bianco.

MR. COLLINS: Correct, Mr. Chairman.

Approximately a year ago, it was May of '17, you approved several of these projects. 123 South Stone was one of them. A unique aspect of that is Mr. Bianco and the need to improve the property for his restaurant/bar facility. And one of the requests was that Mr. Bianco get some rent relief from the district in connection with the overall structure of this property.

What we've never talked about before is that that needs to be memorialized in an agreement between Mr. Bianco or his company and the district economic development agreement. It is very similar to what we did
with Hexagon and City Park. And so I would be asking you
to authorize the finalization and execution of an economic
development agreement with Mr. Bianco for rent relief when
he moves into 123 South Stone.

CHAIRMAN McCUSKER: The scale of that's
identified; right?

MR. COLLINS: It's $75,000.

CHAIRMAN McCUSKER: $75,000. Not a bad deal to
attract Chris Bianco to downtown, I don't think. Plus I
think we agreed to it, but we never really separated it
from the agreement with the property owners.

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: So this would establish an
agreement directly with the proprietary --

MR. COLLINS: Precisely.

CHAIRMAN McCUSKER: I would need to have a
motion.

MR. SHEAFE: We need to put this motion in a
format that does not indicate picking and choosing winners
and losers, which is not what's happening here, but it's
trying to figure out how to put the words together to make
it so that it expresses what's really going on.

I guess the motion should be to authorize
counsel to prepare and finalize a document that would
express the original goal that was approved back
originally in a format and then bring it back for final
approval.

MR. COLLINS: That would work.

CHAIRMAN McCUSKER: I can help you couch this,
too, so maybe we don't need to make it a motion. We do
deals all the time with real estate developers. It's our
nature. And that leverage has been unbelievable. Right
now it's about 10 or 11 times leverage for every dollar we
invest. The private sector invests 10 or 11.

We've also aided their tenants when it's
important enough for the district to create some rental
incentives to attract the right people to those buildings.
We did it with a lot of people. So I think we considered
that when we approved this a year ago.

The only thing we didn't do was authorize the
specific agreement with Chris Bianco. So I don't know
that you need a lot of ideology in your motion. I think
it can be pretty straightforward. We authorize $75,000 of
rental relief to the proprietor of 123 South Stone, you
know, subject to everything that we approved a year ago.
They've got to build the building, they've got to sign the
plat, they have to do the TIs and, you know, then Bianco's
got to move in. You know, those are all kind of
conditions precedent, so none of that needs to be
revisited, does it?
MR. COLLINS: Well, the thing that's new, if you will, that I've brought up as I tried to put this deal together is that there has to be a separate agreement between this board and Mr. Bianco. Earlier the deal was there was only an agreement between this board and the developers, so we now have two agreements. We have the standard purchase, lease, repurchase option and this agreement. And so this agreement I think needs to be authorized. And, as I say -- as you say, we've done it before. It's precisely what I suggest we do here.

CHAIRMAN McCUSKER: I believe it was part of the package that was presented to Bianco a year ago to attract him --

MR. COLLINS: It was.

CHAIRMAN McCUSKER: -- to Tucson in the first place.

MR. COLLINS: It was.

CHAIRMAN McCUSKER: So we're basically papering up the previous agreement?

MR. SHEAFE: So the approval is simply to allow you to structure it in a way that it works?

MR. COLLINS: Yeah.

MR. SHEAFE: According to the original intent; right?

MR. COLLINS: I would agree with that.
MR. SHEAFE: And do I need --

CHAIRMAN McCUSKER: I still don't have a motion. In like 25 words or less, make a motion.

MR. SHEAFE: Well, I'm thinking I did, but the motion is to authorize counsel to finalize a structure and agreement for Chris Bianco in accordance with the original intent of the approved motion.

MR. IRVIN: I'll second that.

CHAIRMAN McCUSKER: And that number's $75,000 just for the record.

MR. SHEAFE: Yeah.

CHAIRMAN McCUSKER: Any other conversation?

Everybody following this?

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.
6-0 now on that one, too. We're on a roll.
Thank you, everyone. And, Mr. Collins, let us
know if we need to do anything else in that regard.
The final item before call to the audience, I
think I saw Brent here and Alan. They're going to give us
an update on the Arizona Bowl and its economic impact.
This is an update and discussion item only.
MR. YOUNG: Well, good afternoon. I'm Alan
Young. I serve on the staff of the Nova Home Loans
Arizona Bowl with our vice-chairman, Mr. Brent DeRaad from
Visit Tucson. And we're also joined in the back by Del
Arvayo, Allyson Tofel and Michelle Thorton who are on our
staff.
And the objective here today is to, number one,
thank you for what you do; number two, update you a little
bit on the bowl, but as long as you're giving out money
and you're on a roll, I think we may change our --
CHAIRMAN McCUSKER: Unfortunately you're not
part of the agenda.
MR. YOUNG: Okay.
CHAIRMAN McCUSKER: It's a good try, though.
MR. YOUNG: Thank you.
We are three years into the bowl. It doesn't
seem like it's been that long, but we just finished our
third game, very successful. It does everything that we -- our vision thought it would do, but we want to show you a little bit about what that is and what it looks like, so if we could play just a very short video, we'd appreciate it.

That's our new promotional video that we can show at anything that we want people to see our story and we think that does a pretty good job. Let's take a few minutes and -- and, Brent, talk a little bit about the history, the economic impact, what it does for Southern Arizona, for Tucson, for Rio Nuevo and for the bowl, so, Brent, a little bit of the history.

MR. DeRAAD: Absolutely. And, again, Mr. Chairman, members of the board, thanks so much for the opportunity to be in front of you here today.

From our perspective again, it's hard to believe this game's only three years old. I think back to our founders, Ali Farhang and then two of you sitting up here today, you know, Chairman McCusker and Vice-chairman Ivrin. Again, to have Chairman McCusker come to me in the summer of 2015 and say, we're going to have a college football bowl game in December. And I have to tell you, going back 30 years ago, my first job was working for the Fiesta Bowl, I was there for about four years, and just knowing what goes into a college football bowl game and
the ancillary activities, I was dubious at best that we were going to have an initial game in 2015, but just taking a look at, again, just the drive to be able to create something for the community, it was really remarkable.

And so Rio Nuevo stepped up. It convinced me and Visit Tucson to step up and invest. We continue to increase our investment as well just based on, you know, the fantastic impact there as well.

Again, Alan's going to talk about some of the economic impact numbers here in just a moment, but what I wanted to point out very quickly is just the incremental business that's associated with this.

For us -- and, again, one of the reasons that a college football bowl game is just so vital, when you take a look at that week between Christmas and New Years, there is no meetings business happening, and so from a hotel standpoint, you're left with pretty much just that leisure travel aspect. Being able to bring in an event of this magnitude, especially this past year, it's just been fantastic. So when you take a look at hotel spending within the district and throughout metro Tucson, you take a look at the food and beverage spending, entertainment, et cetera, for us the Nova Home Loans Arizona Bowl has truly been remarkable from that perspective.
MR. YOUNG: Thanks, Brent.

I think bowls are designed to do a lot of different things, but probably number one on every bowl's list is to give back economic impact and give back charity. That's what we've been able to do. We give back in the way of tickets and charitable grants and -- a lot of ways. But the economic impact I think is what is important to us, to Southern Arizona and to Rio Nuevo.

As you can see, the economic impact issue is about 31 million. Over the life of the bowl, it's probably about 70 million, which is really just a start. And this is a figure created by the Eller School of Business that says this is how many people came into town for our game, this is what they spend on average and here's the 31 million, which is a great goal, a great start, but it's really so much bigger than that. We've all seen -- that 31 million is a family of four coming from Logan, Utah, to here and spending three days and spending money on motels and rental cars and food and that, but the bigger picture is that we want those people to come back every year, like Tucson, come back and spend three or four days or come back and buy a second home, come back and buy a first home or, even better, we've seen an awful lot of we're going to open up a business in Tucson, transfer our business to Tucson, so it does a lot
of good that way.

So that's what the economic -- and I apologize.

I know you guys know economic impact a lot better than I do, but that 31 million is throughout Southern Arizona.

And we put our teams at La Paloma and Starr Pass. And the moment we're able to get facilities downtown to place those teams there, that's -- that's our goal.

Right now we've put the media and all of our VIPs at the AC Marriott. We have our kickoff luncheon downtown at the convention center and certainly direct all the fans and that to the pre-game parties, which we have a couple of and are pretty popular, to Rio Nuevo.

And that's our plan in the future, so we think we can give back that way. As a partner to this bowl, you have the right -- we -- we have the honor of showing you as a sponsor, a major sponsor, in our bowl, which means we can put your name on whatever you want. We want you to tell us how we can better promote and brand Rio Nuevo through our bowl.

I think we plan this year to -- we have -- we're on CBS Sports Network for the game and really worldwide. And you saw the number of people that they attract. And we plan on giving Rio Nuevo -- if you can accept a commercial during our game for -- for that network and that. And that's one of the ways that we can
give back to you.

Brent, are we covering everything?

MR. DeRAAD: Yeah, I think so.

MR. YOUNG: I think it's important that you know that we are just starting. We have such a good name in this business after three years. The industry likes what we're doing. The conferences that attend our game love what we're doing and want us to get bigger and better in their eyes. And that reflects on the teams that they send us, but the hotels that they stay at, the -- like I said, the downtown communities that they fall in love with be it the teams or the fans, the practice facilities that we put them at. They could not be happier with the experience that the players and staff and fans get from Tucson.

Our goal is to expand that. And we're working now -- we have two years left on our agreements as all bowls do. After the next two years, it's wide open. And for the next six years, we will sign agreements to get teams here. And every conference -- there's 10 major football conferences. All 10 plus Notre Dame and Army and BYU, all have expressed a strong desire to come here. And that's a -- that's a tribute to our community, our fans, the hospitality that we show. But even the big guys, they want to come to Tucson and see -- bring their -- have a
reward for their team to come here. So we're talking to
them and we'll get some fine conferences and teams coming
here. But the bowl's solid. We plan on growing this to
be whatever we want.

But thank you so much for your support of this.
We really couldn't have done it without you. It's easy to
say, but that's absolutely true.

Brent.

MR. DeRAAD: Just a couple of other things just
to finish up the slides here.

So as you see up here in terms of the community
giving, a couple slides before, we were talking about 1.6
million in terms of charitable giving back to the
community. And that's just in three years of the event,
so it's really remarkable to see how that's transpired.

Again, great promotion for Tucson, but being
able to give back to this community has been paramount for
us. So what's being introduced this year is a matching
grants initiative. And that's going to be new for us, so
we've made obviously many donations out there, but, you
know, having that charitable match we think will really
expand just the amount of that giving as we move forward
as well.

A new program as well, Michelle Thorton, our
vice-president of marketing, came up with this.
Mr. Irvin's been a huge supporter of this as well, the concept of top deck for education. In the past years what we had is basically a large flag in the upper deck. We've sold out last year this lower bowl, you know, fantastic opportunity, but we want to figure out how to get the entire stadium sold out. And for us being able to -- essentially be able to package tickets, provide those to school districts, have them sell these tickets and to have that upper deck filled, we think that's going to be a remarkable opportunity for this game and moving forward as well.

The other thing, too, I wanted to bring up is just in terms of building -- you know, the Nova Home Loans Arizona Bowl is a community event. The biggest aspect behind that really comes back to building a volunteer base. I think what you see from some of the largest and best bowl games in the United States is that the local community digs in. They help. We're a nonprofit organization. We're out there trying to generate profits for charity. We need the assistance of the community not only in terms of attending the game but helping with all the different events and activities as well.

A couple of things as well just in terms of the district. Some of the areas where you benefit is probably fairly intuitive, but that dining/nightlife aspect. And,
again, you know, even Alan -- you know, I know you've stayed at AC Marriott quite a bit yourself, but any time that we can bring in, again, some of the VIPs from throughout the community, we want to make sure that we're using downtown hotels.

You know, our thought as well is, as you proceed with Caliber, as hopefully the Moxie comes on line, hopefully at some point with Hotel Arizona and perhaps some new projects as well, our focus is downtown first and foremost in terms of trying to deliver that impact as we move ahead. And I just want to make sure that that's well understood as well.

Alan talked about many of the different events that we've had in the downtown area. This past year, being able to create a block party in downtown was really remarkable, having a couple of nights with thousands of people at Armory Park and wandering through downtown, a great opportunity for us.

Even the bowl trophy working with Tom Philabaum. Unfortunately he's going to be retiring here soon, so the board, Mr. Irvin in particular, took it upon himself to get five new trophies made as well, very unique in terms of the college football industry and certainly very unique to Tucson as well.

Television, the major reason why I'm out there
investing, I want to do well for the community, but it's also a four-hour infomercial for Tucson, being able to, you know, again, showcase our weather to people throughout the United States. During that last week in December, it was 73 degrees and sunny this past year. We had, you know, a mid-afternoon kickoff, absolutely beautiful weather. Being able to show that to people throughout the United States is so important to us as well. And then certainly the hotels. And we've talked about those impacts already.

If we can go to the next slide.

The previous side just gives you kind of a taste of that downtown block party and some of the elements in terms of bringing people into downtown not only enjoying the activities there but then spending money afterwards in the restaurants and nightclubs.

And then I just wanted to quickly give you a couple of numbers up there as well. So what you're seeing is growing impacts in terms of -- from a hotel standpoint. These numbers are for December 25th through the 31st. It comes from a group we work with, STR. They give us the numbers on an ongoing basis as well.

But when you take a look at 2017 in particular, the room revenue in metro Tucson throughout that week was 8.2 million, up from 6.5 million the year before. The
only variable in that mix is going to be the Nova Home Loans Arizona Bowl, so when you go back and start talking about impact, this is just direct hotel revenue. You know, no multipliers or anything associated with it. Higher occupancy on game night throughout the entire region, more than 87 percent of the hotels through metro Tucson were filled.

And we need -- again, some good fortune was involved. We were able to bring in New Mexico State University. Any time you go almost 60 years without playing in a bowl game, your fans are going to travel en mass. So part of that -- you know, again, it's some good fortune there, but the year before that was the Air Force and there are many other teams out there as well.

Alan talked about it. As we continue to, again, just grow our presence, our certainly strong desire, we want to pick a little bit higher when it comes to the Mountain West Conference, and we want to continue to just bring in those high profile teams that are going to bring fans and that are going to bring economic impact not only into metro Tucson but into the district.

And, again, you know, our job, we want to grow with Rio Nuevo. We're here and the bottom line is to grow with you. We appreciate you getting this game off the ground. If it wasn't for your initial investment up front
and the time, effort and energy that you put into this, there would be no Nova Home Loans Arizona Bowl and I want to be very clear about that.

Thank you for inspiring me to invest and for inspiring some of the others to get out there and get involved in this as well. We commend you, we thank you, and we hope to be your partner for many years to come.

MR. YOUNG: Any questions?

CHAIRMAN McCUSKER: Mr. Irvin.

MR. IRVIN: Just as a clarification obviously Fletcher can speak for himself, but Fletcher and myself and Ali are recognized as the three co-founders of this. Neither Fletcher nor myself have any role on the board. We just hold the, you know, title as founders. Nobody listens to us anymore, although we do get to come by occasionally and share some thoughts, but just so there's no misunderstanding, we don't run anything with the Arizona Bowl.

Just a couple of questions, Brent.

I know you've got some staff here. Do you think we could just introduce them real quick?

Alan, do you want to introduce your staff real quick?

MR. YOUNG: You bet.

In the back, Del Arvayo is our chief operating
officer, Allyson Tofel is our director of events, and
Michelle Thorton is our director of sales and marketing.

MR. IRVIN: Thank you.

Brent, what's your role going to be going forward in the bowl?

MR. DeRAAD: Whatever Alan tells me.

Actually -- so currently I'm the vice chair of the board and, again, just, you know, working with Ali Farhang. He's the chairman and one of the founders as well. I certainly hope he'll be the chairman for the next 10 years to come. Rumor has it at some point if he doesn't move aside that I might move into that role as well. And I can tell you I would do so very proudly. It's a great group.

MR. IRVIN: You also talked about -- I don't think you mentioned this, but the bowl office is downtown, too, isn't it?

MR. DeRAAD: It is, absolutely.

MR. IRVIN: And then on the video that you had talked about, it seems like that's like a 30-second spot, so is that a national, local? How is that -- is that a national?

MR. DeRAAD: So we -- actually we've got videos of varying lengths there as well, so -- you know, what we showed was a two and a half minute video. I think what you may be referring to, though, is a 30-second spot
specifically for Rio Nuevo. And that's one of the things -- we have Visit Tucson with our investment. We take advantage of some commercial spots during the game. And what Mr. Young was referring to is, you know, we would love to provide as part of the investment for Rio Nuevo a commercial spot back to Rio Nuevo to talk about that district and happy to help with any aspect of it. I think our question, is that something that Rio Nuevo can accept and make use of.

MR. IRVIN: Thank you. I think the answer to that's yes.

And then one last thing for me before I pass the questions to somebody else. Can you tell us last year where the bowl ended up as far as its ranking? There's 39 bowls?

MR. DeRAAD: So number eight, which is really remarkable, again, you know, for a third year bowl game. And just taking a look at -- you know, certainly the competitiveness of the game, the excitement to everything affiliated with it, to crack the top 10, that certainly includes the college football playoff as well, really remarkable, I think, for a startup game like that.

MR. IRVIN: Thank you.

CHAIRMAN McCUSKER: As we challenge ourself, guys, with all of our marketing dollars, metrics are going
to be kind of even more and more important. I think we'd be interested in more of a defined economic impact. What does it mean to our hotels? I think we have 1,200 beds in the district and another 400 coming on line. What does it mean to our Rio Nuevo merchants, you know, year over year kind of numbers. I think for us to make a case -- because, you know, we did help launch you and that's -- that's one agenda item which I think we would argue we've accomplished, so on a go forward basis, I think we've got to look at the whole situation a little differently, and that's how are we benefiting downtown.

And, you know, if we had a national add, I would use it to promote our downtown merchants or our hotels, something germane to our mission as opposed to something community or region wide, and then to really look at how we impact -- I think the downtown party has huge opportunities to grow, particularly if we do some work with Armory Park to make that a friendlier place to hold a festival. I think we would help do that. But I think you guys have to think, you know, when you make a presentation to us what's it doing for downtown.

MR. DeRAAD: Without question, and I think as we move ahead then as well. Part of the numbers up there that I was showing from STR, there are ways for us to be able to get breakouts, and so we can certainly as we move
ahead -- in fact, we can do it from this past game as well. We can go back and pull for you and send you a report showing what those 12 hotels did this past year as well, so I'm more than happy to do that. We can certainly provide that information moving ahead. We can also try to work with the city of Tucson to just take a look at collections within the district as well just so that you can see if they're growing or not and to what extent.

CHAIRMAN McCUSKER: Anything else for Brent or Alan?

Gentlemen, thank you very much.

MR. YOUNG: Thank you.

MR. DERAAD: Thank you.

CHAIRMAN McCUSKER: Brandi, any calls to the audience? No cards?

MS. HAGA-BLACKMAN: I don't think so.

CHAIRMAN McCUSKER: All right. I'll entertain a motion to adjourn.

MR. IRVIN: So moved.

CHAIRMAN MCCUSKER: All in favor, say aye.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: See you in June.

(3:35 p.m.)
STATE OF ARIZONA )
COUNTY OF PIMA ) ss.

BE IT KNOWN that the foregoing transcript was taken before me, THOMAS A. WOPPERT, RPR, a Certified Court Reporter in the State of Arizona; that the foregoing proceedings were taken down by me in shorthand and thereafter reduced to print under my direction; that the foregoing pages are a true and correct transcript of all proceedings, all done to the best of my skill and ability.

I further certify that I am in no way related to any of the parties hereto nor am I in any way interested in the outcome hereof.

Dated at Tucson, Arizona, this 6th day of June 2018.

Thomas A. Woppert, RPR
AZ CCR No. 50476