

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

BOARD MEETING

Tucson, Arizona

July 24, 2018

1:00 p.m.

REPORTED BY:

John Fahrenwald, RPR

Certified Reporter No. 50901

KATHY FINK & ASSOCIATES

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BOARD MEMBERS PRESENT:

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

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 6th day of August, 2018, commencing at the hour of 1:00 p.m.

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P R O C E E D I N G S

CHAIRMAN McCUSKER: It's 1:01. Let's call
this shindig to order.

Mr. Irvin, do you want to do the pledge?

MR. IRVIN: Sure.

(Pledge.)

CHAIRMAN McCUSKER: Brandi, we're so happy
you're back.

MR. COLLINS: Are we ever.

CHAIRMAN McCUSKER: You cannot imagine how
this place ran without you.

You can call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez?

MR. MARQUEZ: Here.

MS. HAGA-BLACKMAN: Jannie Cox?

MS. COX: Here.

MS. HAGA-BLACKMAN: Chris Sheafe?

MR. SHEAFE: Here.

MS. HAGA-BLACKMAN: Fletcher McCusker?

CHAIRMAN McCUSKER: Here.

MS. HAGA-BLACKMAN: Mark Irvin?

MR. IRVIN: Here.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Here.

CHAIRMAN McCUSKER: All present and accounted

1 for. We have a quorum.

2 You have the transcription from the June 28th
3 meeting. It's verbatim. Unless you want to make a change
4 to -- if not, someone move to approve.

5 MS. COX: So moved.

6 MR. IRVIN: Second.

7 CHAIRMAN McCUSKER: All in favor say "aye."

8 (Ayes.)

9 This is the time set aside for Executive Session. For
10 people in the room, we always go into exec first.

11 This looks like about an hour. So you probably
12 won't see us until 2:00-ish.

13 I need a motion to recess.

14 MR. IRVIN: So moved.

15 MR. MARQUEZ: Second.

16 CHAIRMAN McCUSKER: All in favor say "aye."

17 (Ayes.)

18 See you in a little while.

19 (Recess to Executive Session at 1:03 p.m.)

20 (Reconvene at 2:28 p.m.)

21 CHAIRMAN McCUSKER: Entertain a motion to
22 reconvene.

23 MR. MARQUEZ: So moved.

24 MR. IRVIN: Second.

25 CHAIRMAN McCUSKER: All in favor say "aye."

1 (Ayes.)

2 We're back in regular session. Thank you for
3 hanging in there with us. You can tell from the agenda we
4 have a lot going on, and we're doing a lot of stuff legally
5 that requires the attention of our attorney and Board.

6 So we need Brandi -- who is probably right behind us --
7 because I was going to preview our new website as part of my
8 agenda item.

9 Mr. Sheafe, are you going to do the financial
10 report?

11 MR. SHEAFE: I'll do my best.

12 CHAIRMAN McCUSKER: Our CFO, Dan, is ill. We
13 wish him a speedy recovery.

14 So our treasurer, Mr. Sheafe, will give us
15 the financial update.

16 MR. SHEAFE: Would you like that now?

17 CHAIRMAN McCUSKER: Yes, please.

18 MR. SHEAFE: All right. Well, this is
19 available to the public. But it references the \$9.6 million
20 that we have on hand. What you don't see is the
21 obligations.

22 The other good news is that our TIF revenue
23 for April -- and we get it a few months later so that's the
24 most recent report we have -- was over budget by a million
25 -- or excuse me -- over-budget by about three million --

1 300,000 at a million five thirty six. And some of that is
2 because of the very effective work done by Brandi and by Dan
3 in going back and correcting previously incorrect reports --
4 about 350,000 of the total. So we continue in very strong
5 financial condition.

6 MS. COX: Question. Am I correct that the
7 May and June TIF revenue we get to keep?

8 MR. SHEAFE: Usually that's the case.

9 CHAIRMAN McCUSKER: We have a debt holiday.

10 MR. SHEAFE: Yeah, we paid off the bond
11 payments for the year.

12 MS. COX: Right. So May and June we get to
13 keep to reinvest.

14 MR. SHEAFE: Right.

15 MS. COX: Okay. Thank you.

16 MR. SHEAFE: What's nice, Jannie, is that our
17 revenue stream's a little bit higher than we originally
18 projected from the previous year.

19 MS. COX: Right. That's great.

20 CHAIRMAN McCUSKER: Okay. Any questions for
21 Treasurer Sheafe?

22 Since he's here and we can solve the big mystery, I'm
23 going to move Item 12 up to front.

24 So you've all heard us talk about arena
25 football and the work we have to do to enable our arena to

1 play indoor football. You've heard us authorize some
2 expenditures to enable that. We're pleased today to
3 announce to the public that not only are we attracting an
4 arena football team, we're attracting the hall of fame's
5 "most winningness" coach in all of arena football, Coach
6 Kevin Guy.

7 Kevin, do you want to come and introduce
8 yourself and your plan?

9 MR. GUY: Thanks, guys.

10 My name is Kevin Guy. And I've been in the industry
11 arena football -- indoor football for over 20 years -- 23 to
12 be exact. I've been a player, I've been an assistance
13 coach, I've been a head coach, I've been a general manager,
14 I've been a minority owner, and we've had a lot of success
15 through the years of people being involved. We've won five
16 championships through the years and four in the last seven
17 years.

18 We're bringing a product -- indoor
19 football -- to Tucson. And we want to play our games in the
20 TCC, Tucson Convention Center. It's a family-friendly and
21 fast-high scoring game, exciting indoor football played in a
22 hockey-sized arena for the field at affordable prices.

23 I've always said, less field, more football,
24 it's a 50-yard field. It is inside. It's a lot like a
25 concert when you're at the game, a lot of family value

1 there, a lot of entertainment.

2 Fans will be able to reach out and touch the
3 players, touch the coaches after the game. We will be very
4 involved with coming out of the field, setting up tables,
5 letting the fans come down and sign autographs, take
6 pictures where they can touch the players. When the balls
7 go to the walls, the fans will be able to keep the balls.
8 Sometimes occasionally a player might go over the wall, you
9 have to give them back.

10 But it's been a lot of fun, a lot of high
11 scoring games. And I really think that -- I've been coming
12 to Tucson for years doing a lot of stay-cations down here.
13 And my wife and I fell in love with Tucson.

14 And one of the trips we were down here I
15 thought this market would be great for a team, and started
16 doing our research, and really felt like the community would
17 take to this.

18 So we're excited about it. I want to thank
19 Rio Nuevo for your support. Everybody that we work with,
20 starting with Mayor Rothschild, and his staff as well, as
21 being very friendly to us and, you know, everything's been
22 moving along. So I appreciate everybody helping that.

23 We plan on being involved with the community.
24 We've been monitoring the success of the Arizona Bowl, the
25 Roadrunners, and this is one that we decided on Tucson.

1 We plan on having a very active --
2 participating in events, spending in the Rio Nuevo District,
3 as well as downtown with the activities.

4 We will be very active in local communities,
5 appearances, fundraisers, clinics, and more.

6 And we'll join -- you know, and this will
7 also be the first professional football team that Tucson's
8 ever had so I'm very excited about that.

9 We want this to be Tucson's team. We're
10 going to have people that are going to be working with the
11 team that are from Tucson. And we've already started a
12 hiring process. We've talked to the Roadrunners and the
13 Arizona Bowl about doing some cross-marketing and things
14 like that. So I really think that it's moving in the right
15 direction. And, you know, very excited about the opportunity
16 of doing this.

17 MS. COX: Kevin, did you mention what you
18 anticipate your draw to be? How many fans are going to be
19 in the stands?

20 MR. GUY: You know, we plan on packing it
21 out, you know. We want to sell it out.

22 You know, when I first came in -- I can tell you
23 this -- at the Rattlers games we've had -- this past year,
24 we had a game that was over 18,000. We had a couple games
25 over 16,000. The TCC holds right around 7,000. And I feel

1 very confident that we can get the people.

2 MS. COX: Going to fill it?

3 MR. GUY: We're going to fill it. We're
4 going to fill it. We're not just setting football, we're
5 going to be selling fun.

6 MS. COX: And each one of those people is
7 going to spend \$30 downtown while they're down there, right?

8 MR. GUY: Well, that's what the plan is. We
9 want them to buy concessions and merchandise and the whole
10 deal. And we also want to have pregame parties at the local
11 restaurants and post-game parties at the local restaurants
12 to kick it off. We'll also be doing some things outside the
13 arena before the game starts.

14 MS. COX: This could even make me watch
15 football.

16 MR. GUY: Yes. There are a lot of -- through
17 the years, over 20 years, I've found that females enjoy the
18 indoor game more than they do the outdoor game. So you are
19 inside, and it's not 118 outside like it is today.

20 MR. MARQUEZ: This is a big win for the City
21 of Tucson downtown. Jannie was talking about the \$30
22 figure. That's what we see is about the average of what
23 people spend when they come downtown.

24 I think it's excellent and it's very
25 exciting. People don't know your history and your

1 background. It's a big deal to have you coming down to
2 Tucson, specifically with your tenure with the Rattlers.
3 I've been to a number of the games. High energy, people are
4 excited, people are having a great time. This is perfect
5 for downtown. We've just invested more dollars into our
6 TCC. Obviously, the Roadrunners are here. I think you'll
7 be a perfect complement to our arena. I think it's a big
8 win. So very excited have you here.

9 MR. GUY: Thank you very much.

10 CHAIRMAN McCUSKER: Coach, will you play the
11 '19 season. Is that the plan?

12 MR. GUY: Our plan is to kick off this year.
13 We want to start selling as quick as possible.

14 CHAIRMAN McCUSKER: What's your season? It's
15 summer, right?

16 MR. GUY: Season starts in February. The
17 season will be in March and it will go through June,
18 beginning of July.

19 CHAIRMAN McCUSKER: Do you have everything
20 you need from us to enable indoor football? I think we have
21 a list of stuff.

22 MR. GUY: Yes, sir. Everything is moving
23 along great, and very pleased where we're at right now.

24 MR. MARQUEZ: Have you chosen a name for the
25 team yet?

1 MR. GUY: We have not. But you can come out
2 in the press conference and you will hear it. We're close.
3 We've got it narrowed down to about two or three names.

4 CHAIRMAN McCUSKER: The Roadrunners had a
5 contest.

6 MR. GUY: Yeah, we've been talking about
7 that.

8 CHAIRMAN McCUSKER: That's how the
9 Roadrunners got their name.

10 MR. SHEAFE: You don't have Edmund work in
11 there anyways.

12 MR. MARQUEZ: You should.

13 CHAIRMAN McCUSKER: The Roadrunners did not
14 take my recommendation. That was the Stick Lizards. They
15 went with the Roadrunners.

16 Mr. Irvin?

17 MR. IRVIN: So Kevin, I just want to say a
18 couple of things. First, I know you're going to be engaged
19 in the community because I've already heard from the guys at
20 the Arizona Bowl and everything else that's involved, the
21 Roadrunners, et cetera. And I thought yesterday, you taking
22 the time to come down to Tucson and go to a grand opening of
23 the DEK hockey rink, which, as you know, we're using to
24 perfect football, I think spoke volumes for kind of how you
25 feel about Tucson, and how engaged you're going to be in the

1 community, and you impacted the folks at TUSD, and you
2 impacted the folks at Boys and Girls Clubs, I tell you, you
3 made an on impact me. So I just wanted to say thank you for
4 coming down and doing that.

5 MR. GUY: It's a pleasure. And that was an
6 awesome rink that you guys put up. And I'm sure the kids at
7 the Boys & Girls Clubs are going to really enjoy that.

8 MR. IRVIN: We'll get you to come over and
9 play a football game in there -- a little arena football.

10 MR. GUY: Actually I thought I could put the
11 practice field on top of it.

12 CHAIRMAN McCUSKER: Anything else for Coach
13 Guy?

14 Mr. Collins, we have everything we need to
15 get him in there for spring practice?

16 MR. SHEAFE: It probably ought to be stated
17 -- Kevin, I think you're going to have six home games,
18 correct?

19 MR. GUY: Yes. Well, seven is what we're
20 shooting for. We want to have seven home games. And we
21 plan on being in the playoffs, so we plan on having a couple
22 more here as well.

23 MR. COLLINS: Mr. Chairman, to your question:
24 At the last meeting, you authorized to go forward to support
25 this exercise with up to \$400,000. You asked me to figure

1 out how to do it. Very briefly, Kevin is going to have a
2 license with the SMG and the City very much like the
3 Roadrunners' license with SMG and the City.

4 And the District will provide its support as part of
5 that license.

6 CHAIRMAN McCUSKER: Any questions for
7 Mr. Collins?

8 Coach, we're thrilled that you're here.
9 You're not just bringing a game, you're bringing a huge
10 reputation. We're really grateful you selected Tucson for
11 your team. Good luck. And if you need anything from us,
12 make sure we know.

13 MR. GUY: Thank you for your support.

14 MR. IRVIN: Thanks, Coach.

15 CHAIRMAN McCUSKER: So, Brandi, if you will
16 help me just quickly. Is it up or is it stagnant? Can you
17 actually scroll through?

18 We wanted to introduce you to the new Rio
19 Nuevo website. It's up. And thank you, Brandi, for the
20 extraordinary amount of work. Not only has our transparency
21 improved, but it's now video capable. And if you go to
22 "projects" it will say video -- a lot of long-winded
23 updates, because every project is updated in realtime. So
24 we track every project and you will see photo updates --
25 staff. Go ahead and click on the Project tab.

1 MS. HAGA-BLACKMAN: I did.

2 CHAIRMAN McCUSKER: We encourage you all to
3 look at it regularly. And you will see not only our
4 finances up in realtime, but you will be able to track each
5 and every one of our projects.

6 Just a footnote on current project status:
7 Every project you see that we've been involved with is on
8 time, and on budget.

9 And I've visited a lot of TIFs and I can tell
10 you I've never seen one that did not have a ream of problems
11 trying to execute their projects. But everything that we're
12 doing so far is on time and on budget. And you can walk
13 through those. And we're going to enable a few more here
14 today.

15 Arena football is just the first one. And
16 we're so excited that it's Coach Guy.

17 Item No. 7, the Caliber Hotel.

18 Again, just to preface Mr. Collins, this is the project
19 at the TCC. The hotel is being built by the Caliber Group
20 out of Scottsdale. That hotel is proceeding. They are in
21 fact working on plans to submit to their brand and
22 simultaneously, to Rio Nuevo and the City.

23 We need to instruct counsel -- I think, Mr. Collins, to
24 finish the work on the lease.

25 MR. COLLINS: Yes, Mr. Chairman, Members of

1 the Board, we have -- we're working with the Caliber folks
2 to finalize the lease of the property. That also has to
3 dovetail with a termination of a portion of the sublease.
4 Recall, if you will, that the District leases the TCC to the
5 City.

6 And so for this project to happen, the legal
7 description for the TCC has to be amended. That needs to
8 occur. We now have a legal descriptions for that.

9 Caliber is targeting an open date for February of '20.
10 They're shooting for completing the hotel in time for the
11 Gem Show that year. And with the instructions that I
12 received in e-session on the GP lease, I believe we can just
13 proceed forward on a motion to do that.

14 MR. SHEAFE: I would like to move that we
15 instruct counsel to proceed and complete the lease as just
16 described.

17 MR. MARQUEZ: Second.

18 MR. IRVIN: As described in Executive
19 Session.

20 MR. SHEAFE: Sorry. I was trying to be
21 brief.

22 CHAIRMAN McCUSKER: You left out the two most
23 important words.

24 So restate your motion, if you would.

25 MR. SHEAFE: I move that we instruct counsel

1 to proceed as -- on the lease as described in executive
2 session.

3 MR. MARQUEZ: Second.

4 CHAIRMAN McCUSKER: You have a motion and a
5 second.

6 Any discussion?

7 MR. HILL: Mr. Chairman, is that enough
8 information for public to reference?

9 MR. COLLINS: Mr. Hill, we talked about the
10 term of the GP -- or GPLET lease in e-session; I believe
11 that's enough.

12 MR. HILL: Okay.

13 CHAIRMAN McCUSKER: The GPLET is a pretty
14 standard document.

15 MR. COLLINS: It is.

16 CHAIRMAN McCUSKER: We're basically
17 authorizing you to complete it, which is necessary even
18 before they submit plans. Right?

19 MR. COLLINS: Correct. This GPLET is
20 complicated by the fact that it's on property that's leased
21 and subleased and bonded.

22 CHAIRMAN McCUSKER: Right.

23 MR. COLLINS: So there are components to this
24 GPLET, if you will, that we don't always have. So it's
25 basically the same car, the same lease, but it has lots of

1 ins and outs because of those factors.

2 CHAIRMAN McCUSKER: So with today's motion,
3 if approved, you can finish the lease. You don't have to
4 bring it back to Board?

5 MR. COLLINS: I believe that's correct.

6 CHAIRMAN McCUSKER: Everybody tracking that?
7 All right.

8 All in favor say "aye."

9 (Ayes.)

10 CHAIRMAN McCUSKER: Any opposed, nay.

11 All right. That carries 6-0. Thanks for
12 your help.

13 (The Board voted and motion carries 6-0.)

14 Item No. 8 I'm going to table. We're still trying to
15 get the budget together for the TCC. But it's obvious from
16 the agenda that we intend to tackle a major renovation at
17 the TCC, which theoretically includes the Exhibition Hall,
18 the Music Hall, and the Leo Rich Theater, and the Plazas.
19 So stand by for that. That will probably show up at the
20 August meeting.

21 Item No. 9 is our duplex at the Presidio. And we
22 have approved an up-to amount. and in order to do that, we
23 need to hire an architect and authorize a CM at-risk
24 procurement.

25 MR. COLLINS: That's correct, Mr. Chairman.

1 At the last meeting, the board authorized up to \$450,000, I
2 believe, and I was instructed to figure out how we can do
3 that -- or you could do that and comply with the procurement
4 codes and so forth.

5 It's my recommendation that the Board hire
6 the architect who designed the plans. He is Bob Lanning.
7 Mr. Lanning is a licensed professional in the State of
8 Arizona. As such, the Board can direct-select him.

9 Clear to me, he knows most about this
10 project. You could hire Mr. Lanning to complete the plans
11 and bring him up to the level, so that you could then do an
12 RFP for a CM at-risk contractor to build out the duplex in
13 accordance with the proposal from the trust. So that would
14 be my recommendation.

15 MR. SHEAFE: Just to draw the distinction,
16 the 450 is the entire project, Mr. Lanning's portion is
17 about 22,000?

18 MR. COLLINS: That's correct, Mr. Sheafe.

19 CHAIRMAN McCUSKER: So let's entertain them
20 separately. And I'm looking for a motion to authorization
21 the retention of Mr. Lanning as the architect of record for
22 the Presidio project.

23 MS. COX: So moved.

24 MR. SHEAFE: So moved.

25 CHAIRMAN McCUSKER: Second, please.

1 MR. IRVIN: Second.

2 CHAIRMAN McCUSKER: Any further conversation?

3 All in favor, say aye.

4 (Ayes.)

5 Should we go ahead and authorize the RFP? Or
6 do you want to wait to see the plan?

7 MR. COLLINS: I think what we ought to do --
8 I'm going to suggest that you do is you authorize the
9 executive officers and me to work with Mr. Lanning to
10 prepare and, when appropriate, issue an RFP for a CM at-risk
11 contractor.

12 MS. COX: So moved.

13 MR. IRVIN: Second.

14 CHAIRMAN McCUSKER: All in favor say "aye."

15 (Ayes.)

16 Any opposed, nay.

17 That motion carries. We're advancing that
18 project.

19 Stay up there, Mr. Collins.

20 MR. COLLINS: Had enough of me yet?

21 CHAIRMAN McCUSKER: No.

22 So we've previously discussed our desire to
23 help activate the clubs on Congress Street that are
24 struggling. And I believe it's safe to say we don't have
25 enough information today to act on that. So I think

1 probably appropriately just table it.

2 MR. COLLINS: Yes, Mr. Chairman. I've
3 believe I received appropriate instructions. You can table
4 this motion.

5 CHAIRMAN McCUSKER: Consider that tabled.

6 75 East Broadway. Quick update from us. This is one
7 of the most exciting projects obviously that we've ever been
8 involved with: multiple high-rise, across the street from
9 TEP that's both retail parking and Class A office.

10 The project is moving forward. We had an
11 initial deadline of July 18th for the developer to go or no
12 go. We still are dealing with some environmental and
13 archaeology issues there. So we would like to extend the
14 time on that project.

15 So what's the Board's pleasure?

16 MR. IRVIN: Our next board meeting,
17 Mr. Collins, I think is the like 26th or so?

18 MR. COLLINS: Of August, yes.

19 MR. IRVIN: So whatever we do, if we're going
20 to extend it, we probably need to extend it past that
21 slightly to allow some time to tidy things down.

22 So I'd like to move that we extend that to
23 August 31st, with the caveat that at our next Rio Nuevo
24 meeting that the developer come in and update us on how
25 they're doing with all the things they need to be doing.

1 MR. MARQUEZ: Second.

2 CHAIRMAN McCUSKER: That would move -- we
3 just amend the current agreement, Mark, and put in a new . .
4 .?

5 MR. COLLINS: Mr. Chairman, Members of the
6 Board, I've worked with the attorneys for Dunn, and we've
7 drafted what I think will be an acceptable first amendment
8 to the development agreement. And it would terminate at the
9 31st of August.

10 MR. IRVIN: Do you need me to modify that to
11 allow the executive officers to execute that with counsel?

12 MR. COLLINS: Wise choice, Mr. Secretary.

13 MR. IRVIN: I'd like add that to my motion.

14 MR. MARQUEZ: Second.

15 CHAIRMAN McCUSKER: Seconded the revised
16 motion. So the motion and second is to extend the current
17 agreement with JE Dunn from July 18th to the end of August.

18 MR. IRVIN: With the caveat that they come in
19 at our next meeting and update us.

20 CHAIRMAN McCUSKER: Any questions? All in
21 favor say "aye."

22 (Ayes.)

23 Opposed, no.

24 The motion passes 6-0.

25 (The Board voted and motion carries 6-0.)

1 We'll see you guys in August.

2 35 Toole. This is the proposed restaurant on
3 the corner of Toole and 7th Avenue. We've previously
4 authorized a GPLET. There's been a lot of back and forth I
5 think it's safe to say in negotiating this.

6 Mr. Collins, I believe our instructions to you are to
7 get this done. But we're not going to do anything with this
8 deal that we don't do with anybody else's GPLET.

9 Is that the mood of the Board?

10 MS. COX: Yes.

11 MR. IRVIN: So I think the motion would be to
12 allow counsel to go wrap up with GPLET lease as instructed
13 in Executive Session.

14 MR. COLLINS: On this project.

15 MR. IRVIN: On this project. And if there's
16 not a material change with that, that the executive officers
17 be allowed with counsel to execute them.

18 MR. SHEAFE: For clarity, that means
19 consistent with other arrangements we've made on similar
20 deals.

21 MR. COLLINS: I understand.

22 CHAIRMAN McCUSKER: You've gone from a motion
23 to meddling.

24 Do you want to make a motion?

25 MR. IRVIN: Yeah. I think we've already

1 talked about that it would be consistent with the other
2 transactions.

3 So the motion would be to wrap up the GPLET
4 lease consistent with what we've done for others as
5 instructed in the Executive Session; and if not materially
6 modified, that the executive officers, with your counsel, be
7 allowed execute them.

8 CHAIRMAN McCUSKER: Chris, a second for that?

9 MR. SHEAFE: Yeah, I'll give that a second.

10 MR. HILL: Mr. Chairman, once again, because
11 we're talking about something that happened in the Executive
12 Session, since this is legal advice, the public -- it's
13 not -- it's one of the exemptions, we're not going to get
14 rocks thrown at us because --

15 MR. COLLINS: Correct.

16 MR. HILL: -- we've got some records that
17 they can't see.

18 MR. COLLINS: Correct. As you know,
19 Mr. Hill, one of the principle exceptions, one of the things
20 that you can do in e-session is get legal advice. And you
21 can instruct counsel to act in accordance with those
22 instructions.

23 CHAIRMAN McCUSKER: To put a little color to
24 that, given our nature, the GPLET, Government Property Lease
25 Excise Tax programs, is a tool that we use a lot to help

1 enable development. The City also using them, so they're
2 fairly standard.

3 Even now and then a developer would like to
4 unstandardized the documents. And basically we're taking a
5 position, Mr. Hill, that we're perfectly fine with the
6 standardized deal and we're not inclined to make a lot of
7 exceptions because it creates a slippery slope, that then we
8 have other issues with other developers. So I think to
9 clarify our instructions -- or for counsel to do exactly
10 what we would do for anybody else.

11 MR. IRVIN: Correct.

12 MR. HILL: I think that's better for public
13 consumption, Mr. Chairman. Thank you for that.

14 CHAIRMAN McCUSKER: So I think we have a
15 motion and a second. Right?

16 MR. IRVIN: Yep.

17 CHAIRMAN McCUSKER: All in favor say "aye."

18 (Ayes.)

19 Opposed no?

20 We're advancing that project.

21 (The Board voted and motion carried.)

22 I don't think there's anything new on the
23 Sunshine Mile.

24 I think, Mr. Collins, we were going to talk
25 about the establishment of an evaluation committee to

1 respond to current RFQ on this?

2 MR. COLLINS: Correct. For the benefit of
3 all the board members and the public, we have issued three
4 RFQs. Each one is for one of the blocks or clusters: the
5 bungalow block, the doughnut hole block, and the Solot
6 block.

7 We've received several questions, got some
8 helpful inquiries.

9 I'll be posting some addenda to those later
10 this week. And at some point, this Board needs to identify
11 who it's going to have on its evaluation committee.

12 I know I've said this to you individually -- or at
13 least hope I have -- none of you ought to be talking to the
14 proposers; that should be coming through the RFQ process.

15 And for good or for bad, that means me. I
16 should be the one dealing with the questions and so forth.
17 But at some point, you guys do need to decide who your
18 evaluation committee's going to be.

19 CHAIRMAN McCUSKER: What's the makeup of that
20 committee? Is it set by statute?

21 MR. COLLINS: No, it's not. You want an odd
22 number. And because all you're doing here is conceptual
23 designs; that's what this is. You're working with PPS,
24 Project for Public Spaces, to try to come up with a design
25 that you could ultimately then put out for bid.

1 CHAIRMAN McCUSKER: When we bid out for
2 construction, that committee I think is comprised of an
3 architect and a contractor.

4 MR. COLLINS: Architect and a contractor.

5 CHAIRMAN McCUSKER: That's not the case here
6 since we're doing credentials.

7 Should it have an architect?

8 MR. COLLINS: I think you ought to have an
9 architect; I do. And you don't have to do it yet. But
10 that's one of the things that's coming up is you need to be
11 thinking about this.

12 MR. IRVIN: Refresh me, Mark, on the dates.
13 I know we've got a date coming up -- August 1st, what's our
14 date to review; I can't recall that date.

15 MR. COLLINS: I don't have it in front of me,
16 Mark. I'm sorry.

17 MR. IRVIN: Do we have enough time to think
18 about who that would be? Do we need to decide that at this
19 meeting?

20 MR. COLLINS: No.

21 CHAIRMAN McCUSKER: Can we authorize the
22 executive officers to appoint that committee?

23 MR. COLLINS: Yes.

24 CHAIRMAN McCUSKER: Don't have to bring that
25 back to the Board?

1 MR. COLLINS: Yes.

2 CHAIRMAN McCUSKER: And I think our
3 preference would be to include some members of this Board
4 who are normally not on that kind of evaluation committee.

5 MR. COLLINS: Right. Right.

6 MR. IRVIN: Yep. Exactly.

7 MR. COLLINS: I always suggest you have an
8 odd number. You can't go no more than seven. Actually, I
9 don't think you can go more than 5.

10 CHAIRMAN McCUSKER: So would someone make the
11 motion to authorize the executive officers to appoint the
12 evaluation committee for the Sunshine Mile RFQ?

13 MS. COX: So moved.

14 MR. MARQUEZ: Second.

15 CHAIRMAN McCUSKER: Everybody okay with that?
16 All right. Motion and a second.

17 All in favor say "aye."

18 (Ayes.)

19 Opposed, nay.

20 (The Board voted and motion carried.)

21 You guys are on a roll.

22 Speaking of the Sunshine Mile -- it's one of our more
23 fun conversations lately.

24 I think Miguel and Sonya are here. You can come on up.
25 Let me preference the agenda item. I know everybody in this

1 room, and certainly on this Board is familiar with the FORS
2 and the remarkable work that the two of you have done
3 downtown.

4 Indeed, they are true pioneers. They moved
5 downtown about the same time I did I think in May of 2010 or
6 thereabouts, and have been largely responsible for most of
7 the restaurant activity in and around our downtown.

8 And lo and behold, this extraordinary group
9 of people has endorsed the Sunshine Mile and actually wants
10 to move their office to Broadway -- what's the cross street?

11 MS. SOTINSKY: Norris.

12 CHAIRMAN McCUSKER: Broadway and Norris. And
13 also increase the retail capabilities of that store.

14 If you've seen their store downtown, they
15 have little small shop, but they are looking to expand that.
16 So Miguel, Sonya, welcome.

17 MR. FUENTEVILLA: Thank you.

18 MS. SOTINSKY: Can I give these out?

19 CHAIRMAN McCUSKER: Sure.

20 MR. FUENTEVILLA: I'll introduce myself.

21 Miguel Fuentevilla from FORS Architecture and Sonya
22 Sotinsky, from FORS Architecture + Interiors.

23 Well, as Fletcher did a very kind
24 introduction, thank you, that we were early adopters in
25 downtown. Not before, obviously, another larger group, but

1 we drank the punch -- or the Kool-Aid, as people say.

2 And we've been here about 8 years -- almost 8
3 years, and we were very lucky to work on quite a few
4 projects -- over 20 projects in downtown, like HUB
5 Architects and Designers, AC Hotel --

6 MS. SOTINSKY: -- and we continue to work on.

7 MR. FUENTEVILLA: Yes -- Playground, Penca,
8 Downtown Kitchen + Cocktails, Borderland -- many projects.
9 And we are excited being a part of those. But we decided
10 it's time to stop paying rent to those two in the back over
11 there, "Beach."

12 So after 18 years, we committed; we bought
13 the building on the Sunshine Mile. And we are really
14 excited about it. It's a building that is in distress; but
15 we looked at FORS Architecture and the projects we are
16 bringing in, and the projects that we want to do, and we
17 really want to expand into the Sunshine Mile. Because as we
18 were big believers in downtown, we're big believers in
19 Broadway. And we think it's a happy coincidence that you
20 guys are committed to the Sunshine Mile also. And we think
21 there's a lot of potential, and we think that the clients --
22 and Sonya will talk a little more about that -- but the
23 clients and the kind of work we do will be very advantageous
24 for us to be on Sunshine Mile and to see the continuation of
25 the downtown along the Rio Nuevo corridor kind of grow that

1 way.

2 I think why we're here is because we've
3 committed a lot of resources to the building. We did buy the
4 building up front, cash, and I think we really want to take
5 it to its full potential. And I think we are looking for a
6 little help to take it as far as we can, and bring this
7 important building -- it was built in 1952 -- to its full
8 potential. Sonya's going to talk a little bit about what
9 we're doing.

10 CHAIRMAN McCUSKER: Normally we wouldn't
11 entertain for an architect's office, but the unique piece
12 about this is the retail component, so Sonya --

13 MS. SOTINSKY: Yeah, I'm going to talk about
14 that.

15 So we did open our little shop in front of
16 our office on Congress Street. And that was part of our
17 pledge to activate Congress Street. So I came up with the
18 harebrained idea of doing this gift shop. And actually my
19 two daughters at the time and I were like, yeah, and we like
20 got going, and had a lot of fun with it. And we've kept it
21 going and we've really enjoyed it because of the things that
22 I didn't anticipate. I thought, ooh, we're going to get to
23 buy cool design stuff and bring it downtown. What I didn't
24 think about was the opportunity to hear from so many people
25 coming in off the street, Tucson locals, visitors --

1 everyone. And that's been an amazing experience for us to
2 interact with everyone on the ground floor of downtown so --
3 and we've really enjoyed the gift shop.

4 So one of the things we also do -- which some
5 people aren't as familiar with -- is we do contract
6 furniture sales. And primarily right now it's been for our
7 clients that we're doing furniture sales for, so we have a
8 decent amount -- we have obviously a resale license and we
9 do a decent amount of the sales through the contract
10 furniture, and a little bit through the gift shop as well.

11 And our hope moving to Broadway is we're
12 going to have over three times the space, and I'm going to
13 really be able to expand the area, do an area to show some
14 of our contract furniture. And I've already talked to a lot
15 of our vendors, and we're talking about how we're going to
16 shift out showroom space to enhance that, and then enhance
17 the gift shop as well.

18 So the building, which many of you are
19 probably are familiar with, is 2020 East Broadway, and quite
20 distressed right now.

21 Here it is today. And Miguel showed it to me about a
22 year ago and I was like, no way.

23 CHAIRMAN McCUSKER: We had the same reaction.

24 MS. SOTINSKY: I was like, no, I'm not doing
25 that.

1 MR. FUENTEVILLA: Hey, 12 months is pretty
2 good. It only took 12 months.

3 MS. SOTINSKY: So the more we thought about
4 it, just the excitement of being part of the Sunshine Mile,
5 and that next page of the Rio Nuevo District, and that we
6 suspected we could do something good with this building. So
7 you can see on the next page kind of our proposed new facade
8 improvement.

9 Now, we did talk to Damian and learn more
10 about the history of the building. And that's been exciting
11 as well because it interestingly was a hardware store and a
12 furniture store and a restaurant supply store which was kind
13 of interestingly connected all to us, right? -- in some way.
14 So we're really looking to bring back that historic facade
15 and reveal the insides as well.

16 Like two pages later, you can see we've
17 already started demolition and, tah-dah, we're really
18 excited. We had a hint of what was up there, but we didn't
19 know what condition it would be. So we're very excited
20 we're going to be able to reveal the trusses and
21 the original "Doug fir" ceiling, and some of the original
22 brick walls. We already found an old parking sign that was
23 painted on the side of the building before this building was
24 even built. So we're really excited about all of these
25 pieces of the building; however, it's really distressed and

1 as it turns out, we're going to have to do -- we did do due
2 diligence before, we're not naive -- but it's going to
3 require all new mechanical, all new electric -- all new
4 electrical, all new mechanical. Bathrooms. It really is
5 just a shell building.

6 So -- well, you can see, kind of -- I just want to
7 touch on the plan really quickly. You can see from that
8 percentage-wise, how we're thinking about expanding the
9 retail space and the showroom space, and then housing our
10 office there as well.

11 CHAIRMAN McCUSKER: For the record, touch on
12 your retail projections just so we get that on the record.

13 MR. MARQUEZ: And are you moving your
14 location from Congress to Broadway? Or are you going to
15 have a second location?

16 MS. SOTINSKY: No, we're moving our location.
17 I know we're very sad to leave Congress Street actually; but
18 Sunshine Mile is the next frontier.

19 MR. MARQUEZ: You're still in our district;
20 it's all good.

21 MS. SOTINSKY: And we lived through the Great
22 Wall down Congress Street with the fences, so we're excited
23 to live through all the construction on Broadway as well.

24 So in terms of our sales that are projected for 2018
25 for taxable sales is 385,000. And my hope is over the next

1 three years to keep increasing that with this increased
2 footprint, and also increasing the contract sales to get to
3 750 and change by 2021.

4 CHAIRMAN McCUSKER: Almost tripling your 2016
5 sales revenue.

6 MS. SOTINSKY: Yeah. And we are going to
7 change our business -- I mean, we're going to keep our
8 existing business model, but we're going to enhance, like I
9 said, the retail and the contract sales. So that's the
10 plan. And we're going to have three times the space. It
11 doesn't always translate to three times the sales, but we
12 have a business plan as well.

13 CHAIRMAN McCUSKER: Let me ask our lawyer a
14 couple of questions. One of the things, Mark, we'd talked
15 about with them is to do a GPLET on this address. There's
16 no restrictions on size. We're talking -- most of our
17 GPLETs are multimillion dollars projects; this is a \$600,000
18 project. Any reason we couldn't GPLET this?

19 MR. COLLINS: No, sir. I don't know of any
20 reason why you wouldn't. GPLET is just a Government
21 Property Lease Excise Tax; that's what it refers to. And
22 you can do that. You'd have to become an owner of it, but we
23 can work through that. We can do it like we do the other
24 templates that you've talked about.

25 CHAIRMAN McCUSKER: Okay. You're good.

1 MR. COLLINS: Enough.

2 CHAIRMAN McCUSKER: You guys are intimately
3 familiar with the GPLET. I think a lot of your projects --
4 you've never had one of your own, but basically Rio Nuevo
5 would acquire the property, we'd lease it back to you, you'd
6 have an option to acquire it back. But that enables our
7 investment then into your private address. So, you know,
8 you've got a budget, call it 700 grand, you know, what do
9 you need? What are you looking for from us to finish the
10 project?

11 MR. FUENTEVILLA: Well, we were hoping for
12 half. So that's what we're pushing for. We've already
13 committed almost the 300,000 to it right now. And we're
14 hoping to keep pushing that to finish. And we think we need
15 the 750 to do the whole project.

16 CHAIRMAN McCUSKER: Mr. Collins, I suspect
17 we'd have to have an appraisal on the building? I'm sorry
18 we're going back and forth here, but we're really doing this
19 on the fly in a public session. So if we were inclined to
20 do a GPLET --

21 MR. COLLINS: You'd need an appraisal.
22 Unless we have a recent one.

23 CHAIRMAN McCUSKER: As-finished appraisals?
24 Because they bought a distressed building. How would we
25 appraise that?

1 MR. COLLINS: You're a lot better off
2 appraising as-is. You can do a hypothetical appraisal,
3 what's it's going to look like. You're going to have to get
4 an appraisal of some sort, yes.

5 CHAIRMAN McCUSKER: And we can't pay more
6 than the appraised value.

7 MR. COLLINS: Mr. Chairman, Members of the
8 Board, if this is something that you want to do -- and my
9 sense is that you do -- because I haven't heard -- didn't
10 hear about this until maybe two days ago, if you were to --
11 you could advance this by authorizing me over the executive
12 officers, to figure out the details, and we could bring the
13 final deal back. Just a thought.

14 CHAIRMAN McCUSKER: Let's discuss it at the
15 board level since this is new and moving very quickly,
16 initiated by their purchase of this property, are we
17 inclined to help a retail project remodel a historic
18 building? This was one of the lead properties, I think.
19 Chinese property owners back in the 50s. It's very
20 consistent with the work we're doing on Sunshine Mile. Here
21 you kind of got a built-in tenant and operator with, you
22 know, a great plan.

23 Are you interested in helping them into --
24 and if so, and to what extent?

25 MR. SHEAFE: I think we have a very unique

1 opportunity that we're putting anchor right in the middle
2 where we're trying to inspire a whole bunch of change.

3 So this project takes on a little different
4 character than some of the other opportunities. We
5 obviously can't do it in every case. But when you add the
6 retail component, and then the change that would begin to
7 inspire quite a bit of other change, and begins to
8 demonstrate possibilities, it absolutely would be of
9 interest to this Board member.

10 MR. MARQUEZ: I think as long as we're
11 solidifying the numbers, this is really what we do, this is
12 why we're here. I love the fact that it's local
13 entrepreneurs revitalizing an area. I think you're smart to
14 pick the Sunshine Mile before the revitalization train comes
15 through. You're going to see the widening, you're going to
16 see our investment.

17 I think we figure out the numbered and figure
18 a way to do this deal. Obviously, again, Fletcher, we
19 wouldn't play if it was simply an architecture office, but
20 the fact they're bringing a retail component and we see the
21 sales tax income, this is right up our alley and I think
22 it's fantastic.

23 MS. COX: I totally agree with Edmund. You
24 were pioneers downtown and now you're starting over as
25 pioneers of the Sunshine Mile. And we are really lucky to

1 have you with this interest and commitment to this project,
2 So I love it.

3 CHAIRMAN McCUSKER: Mr. Collins, I think
4 we've done 50/50 deals, there's a precedent of that? Seems
5 like some of the other deals we've done, so their ask is not
6 unreasonable given other projects we've had.

7 MR. COLLINS: I would agree with that. I'm
8 going to assume that the appraisal is going to come in at
9 something that works. I don't see this as being out in
10 outer space from what you've done before. I mean, this is
11 --

12 MR. IRVIN: It's not like it's not a building
13 we don't know.

14 MR. COLLINS: Right.

15 CHAIRMAN McCUSKER: Okay. If someone's
16 inclined, let's get a motion on the record.

17 MR. SHEAFE: Let's get a motion and I'll try
18 this. I'm not absolutely sure what I'm doing here. But I'd
19 like to propose that we authorize counsel to take the steps
20 necessary to move this project forward with the ultimate
21 intention of the Board considering support at the level that
22 we've been discussing.

23 CHAIRMAN McCUSKER: You need authorization to
24 do a GPLET in there?

25 MR. COLLINS: No.

1 CHAIRMAN McCUSKER: That's good enough? All
2 right. Just the necessary steps --

3 MR. IRVIN: So, Chris, under your motion, are
4 you envisioning that, you know -- as this has just hit us
5 recently -- are you envisioning that this would be something
6 we'd bring back to the Board after we -- so the executive
7 officers and counsel would work with FORS to have it mesh up
8 with some of the things we've done in the past and then
9 bring it back? Is that what you're thinking?

10 MR. SHEAFE: Yes. My motion is intended to
11 signal to Miguel and Sonya that they're on the right road,
12 that we are supportive of what you're doing, and going to be
13 most willing to within the limitations of our counsel's
14 direction, at the financial support, we don't have enough
15 facts to know exactly what to say.

16 So if you would accept my proposal or my
17 motion as your signal to move forward, I think we can have a
18 more detailed discussion at a later date. In the meantime,
19 you invest the things you need to invest to get those
20 answers.

21 CHAIRMAN McCUSKER: We don't have a second to
22 that motion.

23 MR. MARQUEZ: I'll second that motion.

24 CHAIRMAN McCUSKER: So to paraphrase, a
25 motion to authorize counsel and the executive officers to

1 proceed with the transaction that's consistent with what
2 we've done with other deals.

3 Just for your guys sake, that would require an
4 appraisal. And probably a month maybe at work before we are
5 in a position to finalize the transaction. But I think you
6 get the spirit of the conversations?

7 MR. FUENTEVILLA: Yeah, totally. We're in
8 agreement with that; it's perfect.

9 MR. SHEAFE: I was hoping you wouldn't oppose
10 us.

11 CHAIRMAN McCUSKER: Brandi, let's call the
12 roll on this one.

13 MS. HAGA-BLACKMAN: Edmund Marquez?

14 MR. MARQUEZ: Aye.

15 MS. HAGA-BLACKMAN: Jannie Cox?

16 MS. COX: Aye.

17 MS. HAGA-BLACKMAN: Chris Sheafe?

18 MR. SHEAFE: Aye.

19 MS. HAGA-BLACKMAN: Mark Irvin?

20 MR. IRVIN: Aye.

21 MS. HAGA-BLACKMAN: Jeff Hill?

22 MR. HILL: Aye.

23 MS. HAGA-BLACKMAN: Fletcher McCusker?

24 CHAIRMAN McCUSKER: Aye.

25 So by our 6-0 unanimous vote, we're going to

1 move that project forward.

2 (The Board voted and motion carries 6-0.)

3 Jannie is right. We're really lucky to be
4 able to work with you guys again, and here we go.

5 MS. SOTINSKY: We're excited. Thank you.

6 MR. FUENTEVILLA: Thank you, Rio Nuevo Board.

7 CHAIRMAN McCUSKER: AC Marriott item No. 16
8 is some technical repair.

9 Mr. Collins?

10 MR. COLLINS: Clean up. I call it "clean
11 up."

12 To refresh the Board's recollection and the
13 public, in 2017 you restructured your arrangement with
14 Mr. Stiteler and his team and the AC Marriott hotel being
15 relieved of the requirement to pay 4.3 million for the
16 parking garage in exchange for which Mr. Stiteler agreed to
17 spend \$4 million on the 200 Block and then you would rebate
18 up to a cap of \$7.7 million on the 200 Block and the AC
19 Marriott hotel.

20 That deal was structured with the
21 understanding that the parking garage would become part of
22 the City GPLET.

23 AC Marriott hotel is a City GPLET. The City
24 owns -- or was going to own the retail and the hotel, and
25 the District was going to own the garage. When we structured

1 the deal, the City was to be taking back the garage and
2 putting that as an additional legal description on their
3 GPLET.

4 Got to a point and the City decided they
5 didn't want that property. So to prevent the problem of
6 Scott and his team having to pay property taxes, this Board
7 took title to the garage.

8 Now, what needs to happen is the Board needs
9 to have the garage managed by a third party.

10 Scott has picked the third party. What I'm asking you
11 today to do is to approve the engagement of this third party
12 to operate your garage. It will not cost you any money.
13 You will receive a thousand dollars a year for your efforts.
14 Scott will direct the operating outfit. But this will all
15 allow the parking garage to be exempt from excise taxes.

16 Am I making sense?

17 CHAIRMAN McCUSKER: Let me challenge the
18 process a tad.

19 You forget about the AC Marriott and the previous deal
20 and the restructuring of the deal, and the City, because we
21 owned a garage.

22 MR. COLLINS: Right.

23 CHAIRMAN McCUSKER: And we wanted someone to
24 manage it. Would we otherwise procure that management?

25 MR. COLLINS: You wouldn't have to.

1 CHAIRMAN McCUSKER: Tell us why.

2 MR. COLLINS: It's a professional service.

3 CHAIRMAN McCUSKER: So this garage or any
4 other garage, we're free to hire whomever we want that's
5 qualified to manage our garage properly?

6 MR. COLLINS: Like you likely will do on 75
7 East Broadway.

8 CHAIRMAN McCUSKER: So anyone understand this
9 well enough to make a motion? Is it just that we're
10 authorizing the retention of this manager -- what's the name
11 of the company? Do you know?

12 MR. COLLINS: Yeah, I do.

13 The question is -- here are my notes.

14 Mile High Valley (sic) Services, Inc.

15 CHAIRMAN McCUSKER: Valet Services. Not like
16 "valley."

17 MR. COLLINS: Didn't I say that?

18 CHAIRMAN McCUSKER: I'm just clarifying.
19 V-a-l-e-t.

20 MR. COLLINS: It is. So perhaps the motion
21 could be: authorizing the District to engage Mile High Valet
22 Services to manage the hotel in the AC Marriott in
23 accordance with the terms of an assignment and assumption
24 agreement that has been drafted.

25 MS. COX: You mean the parking garage.

1 MR. COLLINS: What did I say?

2 MS. COX: You said the hotel.

3 MR. COLLINS: Oh, the details. Long day.

4 So --

5 CHAIRMAN McCUSKER: You're comfortable with
6 the contract? The economics?

7 MR. COLLINS: Oh, yeah, the economics are
8 fine.

9 CHAIRMAN McCUSKER: Do we have any risk
10 economically in this? Is it a straight pass? They get the
11 revenue, they manage all the expenses. So they enjoy the
12 profit and they suffer the losses?

13 MR. COLLINS: Correct. And they provide the
14 hotel for the use by the operator to operate the garage.

15 CHAIRMAN McCUSKER: Do you know what the term
16 of the contract the -- management is?

17 MR. COLLINS: Four years.

18 CHAIRMAN McCUSKER: Four?

19 MR. COLLINS: Four, yeah.

20 CHAIRMAN McCUSKER: Okay. I think we have
21 enough information to act. Somebody's got to put this in a
22 motion.

23 MR. MARQUEZ: Chris.

24 MR. SHEAFE: I can't.

25 CHAIRMAN McCUSKER: He's conflicted.

1 MS. COX: Repeat your motion.

2 MR. COLLINS: But use the word garage.

3 MS. COX: Yes, please.

4 MR. COLLINS: And call it a valet instead of
5 a valley.

6 MR. IRVIN: In a suggestion.

7 MR. COLLINS: The motion could be to
8 authorize the executive officer and counsel to take all the
9 actions necessary to engage Mile High Valet Services, Inc.
10 as the manager of the garage component of the AC Marriott
11 hotel.

12 MS. COX: So moved.

13 MR. MARQUEZ: Second.

14 MR. IRVIN: Couldn't have said it better
15 myself.

16 CHAIRMAN McCUSKER: Mr. Sheafe is recused
17 from this vote due to a stated conflict of interest with the
18 developer.

19 So you have a motion and a second.

20 Brandi, will you call the role minus
21 Mr. Sheafe.

22 MS. HAGA-BLACKMAN: Edmund Marquez?

23 MR. MARQUEZ: Aye.

24 MS. HAGA-BLACKMAN: Jannie Cox?

25 MS. COX: Aye.

1 MS. HAGA-BLACKMAN: Mark Irvin?

2 MR. IRVIN: Aye.

3 MS. HAGA-BLACKMAN: Jeff Hill?

4 MR. HILL: Aye.

5 MS. HAGA-BLACKMAN: Fletcher McCusker?

6 CHAIRMAN McCUSKER: Aye. By a vote of 5-0, 1
7 abstaining, we passed that clean-up motion.

8 (The Board voted and the motion carried 5-0).

9 We now have a new garage operator.

10 Do we get free parking, Mr. Collins? You should
11 have negotiated a little better.

12 MR. COLLINS: I got you a free garage.

13 CHAIRMAN McCUSKER: Finally, on the agenda
14 which may be a very important item for us as much as we've
15 done everything else downtown, I placed the item on the
16 agenda to given the opportunities that are happening in
17 terms of public and festival type of events downtown.

18 When we launched Second Saturday way back in
19 2010, we never imagined the type of crowds that would be
20 coming to downtown corridor, primarily for music and food.
21 But since then, we now have the Tucson Jazz Festival, which
22 last year had 22,000 patrons. They expect that to increase
23 dramatically this year. El Tour de Tucson bases at Armory
24 Park, second Saturday, the Dusk Festival, which averaged
25 7,000 people a day, and Rialto is moving to Armory.

1 If you've been to Armory lately, it's not a
2 great place. The green belt portion of Armory Park, which
3 is the trees and facade to the west, but the plaza itself is
4 really troublesome.

5 It's out of date. It's got shuffleboard courts on it.
6 I've never actually seen anybody play shuffleboard on. The
7 band shell is really worthless; it's in the middle of the
8 plaza.

9 So what I would like to propose is that Rio
10 Nuevo take the responsibility, subject to the City,
11 approving our plans to renovate the plaza portion of Armory
12 Park.

13 I don't believe it would be that expensive. We would
14 have to get an architect or somebody to help us design that
15 and price it. But you could envision there a bigger band
16 shell, probably move toward 13th Street, a plaza area, with
17 some legitimate seating and tables, maybe shade, a sound
18 system, where you could really have a really nice public
19 park. It's the only public park that's going to remain
20 viable in the Rio Nuevo District. So it truly is our park.

21 So without a lot of the details, I would like
22 to advance the retention of an architect or landscape
23 architect to help us plan for and budget what the
24 renovations might look like.

25 I also think we have people that would like to partner

1 with us maybe -- because this is such a meaningful project
2 to downtown.

3 So that was really the point of the item. The Arizona
4 Bowl, I forgot to mention them. They're planning on using
5 the park for their downtown party the end of December. So
6 jazz is immediately after that in January. So if we were
7 serious, we would need to move pretty quickly.

8 MR. MARQUEZ: We need an RFP in order to go
9 out for the architect?

10 MS. COX: Not for the architect.

11 MR. COLLINS: Not for the architect.

12 MR. SHEAFE: Let me just opine a little bit
13 because this is actually new to me. But it would seem to me
14 we might add a lot of value to the table if we did exactly
15 what the Chairman has asked and hire the architecture team
16 to come up with the concept in the hopes that we could get
17 the City. After all, they're going to the public now and
18 asking for a major parks bond, and if that parks bond
19 passes, it ought to be capable of the City to come in and
20 make these renovations as part of their bond program --

21 CHAIRMAN McCUSKER: There's a little problem
22 with that. This park is not included in the bond package.

23 MR. MARQUEZ: We can always ask it to be.

24 CHAIRMAN McCUSKER: I don't think you can.
25 If you pass a bond, and the bond has projects in it --

1 MR. SHEAFE: Well, no being part of the bond
2 committee, I can tell you --

3 CHAIRMAN McCUSKER: This project is not in
4 that bond package.

5 MR. SHEAFE: Well, they certainly ought to be
6 able to add it. But if they don't, they don't.

7 CHAIRMAN McCUSKER: Do you want to sit around
8 and wait for the City to do this?

9 MR. SHEAFE: What I'm suggesting is we ought
10 to go ahead and get the design on the table anyway.

11 CHAIRMAN McCUSKER: I think so too. And we
12 should be prepared to fund it. I don't know how else it's
13 going to get funded.

14 MR. IRVIN: I also agree with Fletcher. I
15 think there are some people that would consider that
16 dovetailing with Rio Nuevo and that project. We've had some
17 preliminary discussions with some of them. Whether or not
18 they mesh up with their timeframe, and maybe our timeframe
19 is another story. But I do think, I agree, there's a
20 handful of people that would look at that. Again, I love
21 what you said, Chris. I'd love to see the City kick in some
22 dough, and I also agree with you, I think they do have
23 flexibility in the bond thing. But the first place you
24 start is to figure out what it's going to cost us.

25 MR. SHEAFE: Yeah -- figure it out. But you

1 know we have a -- that particular bond -- I haven't always
2 read that language, because I'm operating on the county
3 side, but I can tell you, one of the thoughts I thought was
4 it had an awful lot of flexibility in it that the voters are
5 a little bit skeptical of. So it might be helpful to put a
6 plan on the table. And I believe -- I don't know, it's
7 possible. But in either case, it doesn't matter. We should
8 go forward and actually get the design done, and that we can
9 contribute.

10 MR. IRVIN: Fletcher, would you envision --
11 and I don't have an architectural firm in mind -- but are
12 you envisioning -- I mean, do you have somebody in mind? I
13 think probably Chris has a better handle on that than
14 probably I do.

15 CHAIRMAN McCUSKER: I really don't have
16 someone in mind. I think we would advertise, maybe select
17 some three proposals.

18 MR. COLLINS: I'm going to suggest that you
19 do that. Because it is a professional service, you can
20 direct select.

21 CHAIRMAN McCUSKER: We can authorize an
22 expense of an architect -- put a cap on it -- authorize the
23 executive officers to recruit an architect and at least move
24 the design --

25 MR. COLLINS: I'd reverse that.

1 CHAIRMAN McCUSKER: Move the design pieces of
2 this --

3 MR. COLLINS: Authorize the executive
4 officers to explore and obtain proposals from architects and
5 then proceed forward.

6 CHAIRMAN McCUSKER: Mr. Marquez?

7 MR. MARQUEZ: I got to comment. I'm sitting
8 on the edge of my seat here.

9 Thank you for bringing this to public
10 session. We see so many proposals from events that are
11 happening downtown. There's so much popularity of downtown,
12 so much demand for downtown, and we're trying to use Armory
13 Park and it's so outdated, it's so antiquated, that we need
14 to modernize this park so we can continue to hold these
15 festivals, from Cinco de Mayo Festival that we work with,
16 to -- Dusk is bringing thousands of people downtown. This
17 is in our sweet spot. Because obviously we said earlier,
18 with the arena football, the average amount that a person
19 spends down here is \$30. And this will bring thousands more
20 downtown as more events can host downtown. So I just want
21 to say thank you for bringing this. This is so needed.

22 So do we need a motion basically to go out to
23 bring on the three?

24 CHAIRMAN McCUSKER: Yeah. You basically said
25 the motion: Authorize the executive officers to retain an

1 architect to do some preliminary design work on the
2 renovation of Armory Park.

3 MR. MARQUEZ: So moved.

4 MS. COX: Second.

5 CHAIRMAN McCUSKER: Is that all right?

6 MR. COLLINS: That works.

7 CHAIRMAN McCUSKER: Any other conversation?

8 Brandi, call the roll.

9 MS. HAGA-BLACKMAN: Edmund Marquez?

10 MR. MARQUEZ: Aye.

11 MS. HAGA-BLACKMAN: Jannie Cox?

12 MS. COX: Aye.

13 MS. HAGA-BLACKMAN: Chris Sheafe?

14 MR. SHEAFE: Aye.

15 MS. HAGA-BLACKMAN: Mark Irvin?

16 MR. IRVIN: Aye.

17 MS. HAGA-BLACKMAN: Jeff Hill?

18 MR. HILL: Aye.

19 MS. HAGA-BLACKMAN: Fletcher McCusker?

20 CHAIRMAN McCUSKER: Aye.

21 We're on a roll. That's a 6-0 vote.

22 (The Board voted and motion carries 6-0.)

23 Thank you very much. Edmund and I -- I think
24 it may be one of the most important things we've done. It's
25 not going to cost a lot of money, it's open space, and it's

1 really unattractive.

2 This is the time we set aside for call to the
3 audience.

4 Brandi anybody? Nope.

5 Entertain a motion to adjourn.

6 MR. IRVIN: So moved.

7 MS. COX: Second.

8 CHAIRMAN McCUSKER: All in favor say aye.

9 (Ayes.)

10 See you in August.

11 Thank you very much.

12 (3:30)

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C E R T I F I C A T E

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

John Fahrenwald, RPR