MEETING OF THE BOARD OF DIRECTORS

November 9, 2018
10:00 a.m.
Tucson, Arizona

Bonnie Gray, R.P.R.
Certified Court Reporter #50669
KATHY FINK & ASSOCIATES
2819 East 22nd Street
Tucson, Arizona 85713
520-624-8644
APPEARANCES:

BOARD MEMBERS:
Fletcher McCusker, Chairman
Chris Sheafe
Mark Irvin
Jannie Cox
Edmund Marquez

ALSO PRESENT:
Mark Collins, Board Counsel
Brandi Haga-Blackman, Operations Administrator

BE IT REMEMBERED that the meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Tucson Convention Center, Apache/Cochise Meeting Rooms, 260 South Church Avenue, in the city of Tucson, state of Arizona, before BONNIE GRAY, RPR, Certified Reporter No. 50669, on the 9th day of November 2018, commencing at the hour of 10 o'clock a.m.

* * * *
CHAIRMAN McCUSKER: We're going to call the study session of Rio Nuevo to order. Are you ready to go? We have a virtual flag, so we're going to recite the Pledge.

Brandi, lead us in the Pledge.

(The Pledge of Allegiance was recited.)

CHAIRMAN McCUSKER: Good morning, everyone. We don't do these very often. This is a study session that we're being transcribed. This is our court reporter, so the record ultimately will be verbatim and go on our website.

And there is no executive session on today's agenda, and it's a single-item agenda. So we're here today to talk about the Tucson Convention Center and the capital improvement request that had been made.

Probably appropriate that we're doing this in this glamorous meeting room. Maybe that should be the first thing we talk about.

You're all welcome to address us and make any comments you might have. We're going to do that first, before we deliberate. There are copies of the capital improvement project list in the back. We'll
have it on the screen. But if you want to follow along, grab one.

If you were at our last meeting, this was provided to us by staff, and our Board has yet to have a chance to go through it kind of line item by line item.

Indeed, this is a new priority for us, one that we probably couldn't be talking about except for the 10-year extension that was granted to us by the legislature in the last session.

So now that we have some time, we have some capability to address, call it, $40 million of opportunity, maybe more, at the TCC.

We view this, and, in fact, it is legally our primary component. So we are obliged to invest -- continue to invest in this venue.

So any -- we should probably start, Mr. Jackson, with you, if there's anything new or you want to add. Maybe, too, you've had some time with this.

Just kind of remind us of the process, the priorities, and if there's anything that's occurred since you were at our last meeting.

And give us your name and title for the --

Mr. Jackson, with you, if there's anything new or you want to add. Maybe, too, you've had some time with this.

Just kind of remind us of the process, the priorities, and if there's anything that's occurred since you were at our last meeting.

And give us your name and title for the --

Mr. Jackson, with you, if there's anything new or you want to add. Maybe, too, you've had some time with this.

Greg Jackson, coordinator,
City of Tucson, City Manager's office.

Thank you, Mr. Chairman.

Good morning, Board.

The one change from the last meeting, we talked about an update on the ice plant --

THE COURT REPORTER: Can I have you speak up?

MR. JACKSON: One update from the last meeting is you asked us to come back with an update on the ice plant, and Glenn Grabski is prepared to give you an update on that today.

CHAIRMAN McCUSKER: Glenn, come on up.

MR. GRABSKI: I left my talking points in my office.

CHAIRMAN McCUSKER: Anything else, Greg, move one way or the other?

MR. SHEAFE: Do you mind if I ask -- just a second.

Mr. Chairman, everybody's been courteous enough to come. Can the people in here hear what we're saying, particularly the people --

CHAIRMAN McCUSKER: Once you turn your back to them --

MR. SHEAFE: I wonder, do we have any facility to make that possible?
MS. COX:  Turn that table at least that way so they --

MR. SHEAFE:  I'm just wondering if maybe we should have the person talking sit sideways so that the voices go both ways.

(Off-the-record discussion while the room was rearranged for ease of hearing.)

CHAIRMAN McCUSKER:  Mr. Jackson, thank you very much.

MR. JACKSON:  So one other update:  The question came up about the roof on the arena.  That roof was completed in approximately 1983, so it is going on --

MS. COX:  So it's a new roof.

MR. JACKSON:  Yes.

And it's got about a 35-year life expectancy.  So that roof needs to be on the CIP.  We would replace it to be determined, but the estimate that they gave us is $2.5 million, not four.  But it is approaching its end-of-life expectancy probably in the next five years.

CHAIRMAN McCUSKER:  How do we know about the material and --

MR. JACKSON:  I've got a whole report that I can send you.  They --
CHAIRMAN McCUSKER: Is it a metal roof or --

MR. JACKSON: No, it's not.

MR. MARQUEZ: Probably a build-up.

MR. JACKSON: I'll tell you exactly what it is.

MR. IRVIN: Weren't there also some improvements that occurred on that roof when we redid the arena?

I seem to recall that there was some deferred maintenance up there and a whole bunch of work that went on with the roof before we started the work below.

MR. JACKSON: They did make some improvements. They touched up a few areas. But they did not do the entire roof.

MR. IRVIN: So deferred maintenance on the roof?

MR. JACKSON: Is in pretty good shape.

CHAIRMAN McCUSKER: So we have roofing in kind of each category. Did you lump all that together or -- because, like, the Music Hall roofing, is that totally different? Are you just talking about the ex hall and the arena roof?

MR. JACKSON: That's just the arena roof.
So when we originally started putting this CIP together, we were looking at, you know, five-year increments, up to 30 years.

So I believe our roofs on the other facilities went beyond that 30-year lifecycle. So they weren't on this list.

If they are on this list, they were within our 30-year time frame that we were originally looking at from a CIP perspective.

CHAIRMAN McCUSKER: So is there an amount under the arena for the roof that's on this current list now?

MR. JACKSON: Yes. It's on this list as -- It's Line 39. It's on there at $4 million. We can change that to 2.5.

CHAIRMAN McCUSKER: We just made a million five. Meeting adjourned. Might pay for the ice.

Go ahead.

MR. GRABSKI: Glenn Grabski, general manager at TCC.

So since our last meeting, we have been gathering information regarding the ice floor and the procedure and the process and everything.

And so I have put together some options. And basically from the beginning, as we all know, the
floor and the chiller has reached the end of its
lifespan.

We are seeing increased failure in
things, and we're fixing it as best we can as we go
along.

Obviously, right now, you know, your first
option is do nothing and cross your fingers, which I
don't believe is on option.

The other thing that we weighed out was
let's wait a year. The pros to that is it will give us
more time for planning and all.

The con on that is we have a lot more
events planned and contracted next summer, in 2020, as
opposed to 2019.

Primarily, Jehovah's Witnesses are only in
the building in '19 for three conventions, not seven,
and displacing them would be a pretty big task.

The -- also -- you're also running another
year of risk of failure.

The third option that we are leaning
towards is do it in '19. First of all, there's less
Jehovah's Witnesses. Looking at the Sugar Skulls and
their timing and the probability of them going to the
championship game versus not --

CHAIRMAN McCUSKER: They're going. Just
MR. GRABSKI: I was afraid to say that in public. But we had some discussions, but other things than that.

Now, the con of it is, it's going to be a quick turnaround. We've all done it before and -- but it would be a quick turnaround.

To get into --

CHAIRMAN McCUSKER: Arena football plays in basically the same dimensions. Does it play on the ice or --

MR. GRABSKI: It plays inside the dashers.

So when ice is in, they'll be playing on the ice, obviously with a covering and then their turf. So they require dashers up.

MR. MARQUEZ: The same dashers that the hockey uses?

MR. GRABSKI: Yeah. They'll use the same dashers, but then they have pads that go over it. The glass comes out.

So what our research has found that -- obviously, there's two components here. There's the chiller, and there's the floor.

To talk about the chiller, as we all know, the current refrigerant in there is becoming outlawed
and harder to get.

Talking with other buildings, there's other chlorofluorocarbons available, but they're staying away from them because they don't know what the government is going to do, potentially outlaw those as well.

So most places are going to the ammonia-based chiller. If we could replace that, we need five- to six-month lead time to get the package here. It takes 60 days to plant, demo, and replace.

We -- we've -- the consultant that we had come in and look at it did not determine yet, but may require changes to the plant room for safety reasons, because it is ammonia.

Our -- going to the ice floor, it takes 90 to 96 days to demo and replace and have ice available. That is a long period.

A big part of that is curing the concrete correctly. And that's something that you cannot and should not cut short.

Again, we have -- we have -- we're turned on to a consultant that was used in one of our other buildings in Wilkes-Barre, Pennsylvania. He has come out here and looked at the -- I'm sorry. There was a different person that came out.

We've been in contact with him and asking
him questions. He's been involved with -- or is involved with the ASU project up in Tempe.

Looking at it, if we go with 2019, the chiller could start as soon as the Roadrunners' season is over with. But you can basically plan on June 13th, because that's the end of playoffs.

Ice floor, we could make it start -- if we could get it started by June 24th, it basically would be completed by October 1st, which is -- to me, is the really hard deadline.

When you get into October, you're dealing with the beginning of the Roadrunners' season, U of A hockey season, Disney on Ice, and all that.

CHAIRMAN McCUSKER: Doesn't that really muck up the football schedule?

MR. GRABSKI: Well, I've talked to Kevin Guy about it. Potentially, that is after what would be a first playoff game, but it would be before a second or championship game.

And I asked him about what could he do for options of playing it somewhere else. So that's been an initial conversation.

MR. IRVIN: What were those options?

MR. GRABSKI: We haven't come up with any good ones yet.
CHAIRMAN McCUSKER: If we move ahead on a second sheet of ice, does the current chiller manufacturing have any utility for a nearby rink, or would that matter?

MR. GRABSKI: We have not scoped that out yet. That was one of my questions when we get in further is do we -- the size of the chiller, do we want to go ahead and look at a chiller that could potentially do two sheets, or does it make a difference? I don't have those answers yet.

MR. IRVIN: Or do we need redundancy between the two systems?

MR. GRABSKI: I've known a place that has gone off the same chillers.

MR. SHEAFE: How far apart can the two rinks be and make the chillers --

MR. GRABSKI: Again, that's a question I've been trying to pose. I don't have the answer to that yet.

MR. IRVIN: What's the cost on that, Glenn, for the floor and the chiller?

MR. GRABSKI: I think we have it down as, what, 2.2?

MR. MARQUEZ: 2 million 50 thousand.

MR. IRVIN: So still a good number?
MR. GRABSKI: I think that's still a good number.

MR. IRVIN: And that's for the floor and the chiller?

MR. GRABSKI: Yes.

As we're still collecting information, we have talked, obviously, to other buildings. The consultant -- Roadrunners has said that the San Jose Sharks have had good luck with a certain group.

I called a friend of mine up there -- actually started as an usher here in this building years ago -- to get information. I haven't gotten that yet.

But, obviously, the thing also concerning -- obviously, one of the things as far as the timeline goes is the permitting process.

Moving forward, awarding a contract, we give basically two options. The RP process, if we move forward quickly, we can get RP -- we believe we can get an RP written by the end of November, evaluated by the first week of December, put it on the streets for three weeks.

I'd put it out more like five weeks, because you're dealing with two weeks of holidays.

Normally, those are out there for 30, 60 days.
One to two weeks to evaluate the RP. And would probably put the awarding the contract at the end of January. That puts us in -- call that February 1. That puts us in to getting the ice plant July or August, which makes it a little tight.

MR. IRVIN: '19? Next year?
CHAIRMAN McCUSKER: Next year?
MR. GRABSKI: This is all talking as if we're doing '19.

The other option is single sole source.
CHAIRMAN McCUSKER: Mr. Collins, I think we ruled that out, haven't we? So we can't go there.
MR. GRABSKI: So then --
MR. JACKSON: One point on that, and Mr. Collins can clarify, but through the contract with the City and SMG, we had the ability to allow SMG to contract on our behalf. I don't know if that works with Rio Nuevo, but that's an option in the contract.
MR. COLLINS: Sole source is a separate issue, separate from cooperative purchasing. That's what you're talking about. I'd have a problem with sole sourcing what we're talking about.
CHAIRMAN McCUSKER: So if he's right, SMG can run the renovations, and it's not our procurement.
MR. JACKSON: Through our contract, we have
the ability to let SMG contract on our behalf so we
don't go through the typical City RFP purchasing
process.

MR. COLLINS: So you wouldn't have to use
the City RFP?

MR. GRABSKI: Correct. We can give SMG
permission to contract.

CHAIRMAN McCUSKER: And SMG is not bound --

MR. IRVIN: They're using our dollars so --

MR. COLLINS: Yeah, I'm --

CHAIRMAN McCUSKER: Probably a lot better
off running RFP and --

MR. IRVIN: I concur.

MR. MARQUEZ: What are the advantages of
modernizing the ice plant?

I keep thinking of an air-conditioning
system, and you get a better SEER. Is there anything
that comes with us buying a new ice plant?

MR. GRABSKI: I'm sure there's some
efficiencies in it. I have not looked at it that way.
I look at it as lowering the chance of failure.

MR. JACKSON: And our existing system won't
last forever. It's got to be replaced at some point.

MR. MARQUEZ: What year is that system?

MR. IRVIN: Probably 30 years old.
MR. ARANCIBIA: It's about 23 to 25 years old.

MR. IRVIN: The other problem is the refrigerant --

CHAIRMAN McCUSKER: We're going to need your name since you just went on the transcript.

MR. ARANCIBIA: M-a-r-k A-r-a-n-c-i-b-i-a.

MR. IRVIN: What I was saying is they've got a problem with a lot of these things because the refrigerant that they're using is almost to a point where you can't even get it.

And if you can find it, it's incredibly expensive. And people are just phasing it out, because, A, it's not good for the environment, and, B, it's in the process of being outlawed.

CHAIRMAN McCUSKER: So let's stay with ice. The Coyotes and Roadrunners are here. Do you want to come up and talk to us about the ice, the urgency of the ice? Anything you might want to say about the timing? Just stay with the ice issue for a moment.

MS. BECHERER: Elaine Becherer with the Arizona Coyotes, B-e-c-h-e-r-e-r.

So the timing and all of the logistics that Mr. Grabski walked through, we've discussed that with the City and SMG. And, yeah, we understand that
urgency and the logistics of working around the
eexisting events.

We've talked through the pros and cons of
doing it this year versus next year. And although
trying to do it the summer of 2020 gives us more time,
we understand and we agree, it increases the risk for
failure, and there's more events to work around.

So, yes, the time is now to do that,
because if it goes down, then it's a significant loss
for everyone, right?

Not just the Roadrunners and the Coyotes,
but it's a significant loss to the City as well as
Rio Nuevo.

In terms of the procurement process,
whatever is decided by the Board, we would just hope
that there is still that level of transparency and
management and oversight that you all have been very
diligent about with any of your large significant
projects, that you've had Rio Nuevo oversight and
management, as well as involvement with the major
stakeholders and endusers.

MR. IRVIN: We'd be in really trouble if
the floor went out. I mean, so if all of a sudden the
chiller goes out, Bob, where are you guys going to
play?
MR. HOFFMAN: Bob Hoffman, H-o-f-f-m-a-n, Tucson Roadrunners.

We would have to relocate. I mean, trying to fit in times, and the odds are, because of this process of 90 days and longer to be able to put it in place, that's essentially -- whenever that goes down, that's the season. We're gone for the season.

MR. IRVIN: Have you guys seen any systems with floors that allow for one central plant to power two floors? Is that a pipe dream? Are we better off looking at redundancy?

MR. HOFFMAN: As Glenn mentioned, it's been done. I mean, it -- a chiller can maintain duplicate surfaces.

As far as Mr. Sheafe's question of how far away that would be, I don't know. I know some of the design of an extra sheet of ice is close by, but it's not right next to the other ice --

CHAIRMAN McCUSKER: I think we'd want that question answered. If we put in an upgraded system, we know where the second sheet would most likely go. That would be on the west parking lot.

And is that close enough that a single chiller system in its current location can cover both rinks?
MS. BECHERER: When we did the renovations two years ago for hockey, the ice plant, all we did was we put Band-Aids on the equipment.

So it was already two years ago at the end of its lifespan, and we all made a team decision between the City and Rio Nuevo to do everything that we could to extend its life.

That's all we did. We always knew that the time was in front of us that we would have to completely replace the plant.

MR. HAUFF: If I may, Joel Hauff, J-o-e-l H-a-u-f-f. I'm the associate vice president for academic initiatives and student success at the University of Arizona. And the club hockey program reports to my area right now.

So I wanted to say just a couple things really quickly in support of this. I agree with my colleagues, with the Coyotes and Roadrunners, and with the City and SMG, that the time is now to do this.

It would be absolutely devastating -- and by devastating I mean probably the elimination of the UA Wildcat hockey program -- if the ice were to go out in season.

There is no way -- I know you would be incredibly physically challenged to come up with a
solution that you could survive and move on.

The University of Arizona is specifically a student-run club hockey program. It does not have the resources to survive that kind of a loss in the season, not to mention the consequences that we would face for not fulfilling our obligations to the American Collegiate Hockey Association.

So we agree completely that getting it done sooner rather than later and ensuring that we don't have disruption.

The one other thing I'd like to say is that the timing of it is what it is. I understand it and agree with it. There is no better time to do it.

And if we're going to take something offline for 90 days, you would have to find the right window to do that.

It will be devastating to us already because of the timing. While the Roadrunners' season does start in early October, ours starts earlier. Our first game has traditionally been played at the end of September, the last three seasons.

But more importantly than that, it's the time for student athletes to arrive on campus, to begin to get their legs under them on the ice, begin to go through a tryout process, because it is a club sport,
and it does require tryouts on an annual basis, and to be able to get themselves ready to start a season that, again, for the college program starts in mid to late September.

And, again, while we can also find, you know, resources by going up to Phoenix and holding practice at Gilbert and things like that, the cost to bus a team of players is prohibitive.

But more importantly, the impact on student athletes to ask them to travel -- you know, we've done this before in the past when we've had challenges with ice time at the TCC.

To travel that distance and to be away from their schoolwork and the other activities that they have as students just, again, can be very devastating.

So I'm fully supportive of this. The University is supportive of this. But I do want to acknowledge that there will be a financial impact on our program, even with this timing, and an impact on our ability to get student athletes prepared and ready to go for the season next year.

I don't know if there's anything that can be done about that. But it would be great to be able to engage in conversation to see if there's
something -- again, hearing how old the roof is, it was really incredible.

But I just want to remind everyone that the University of Arizona has been a tenant at the TCC for hockey for 41 years. So we were there even before the new roof that was characterized this morning. And we want to continue there.

But with everything going on, with all of the additions to the arena, which is all great things for the city of Tucson, it does have an impact on the program.

We're willing to do our part, but we need to hopefully be included in ongoing dialogue and conversations about not only this project, but additional sheets of ices and different things that come along so that we can build a sustainable future for what has been a proud hockey legacy for the University and the city of Tucson across the last 42 years.

CHAIRMAN McCUSKER: Let's talk about that while you're here and the Coyotes are here. Talk about the value and need of a second sheet of ice to your program.

MR. HAUFF: It's a huge need, and it's a need that runs beyond our two programs. It's really a
need for the entire city in terms of what supports programs like the Coyotes and the Roadrunners and the U of A Wildcat hockey is youth hockey, is having kids from the time that they start playing sports choose hockey over choosing soccer or baseball or any of the other options out there, having parents, you know, come to understand and fall in love with the sport that maybe they don't really understand or only watch a couple times a year on TV.

You know, we've got to have a capacity to build that out there. And then we've got to have a way for us to be able to manage all the different things that go on so that, you know, the Roadrunners can set their schedule so we can set our schedule and make sure that both of us can seize the highest opportunity dates and times for us to draw in the fan base, respective fan base, and hopefully over time a collective fan base that can support both organizations at a high level.

But, obviously, there's all the financial things that come with that in terms of how sponsorship gets generated and supported, how, you know, concessions -- how all of those different things come back and support the growth and the sustainability of both programs or any other programs that come into town.
CHAIRMAN McCUSKER: We've heard -- we've seen a couple of suggestions about the second sheet. Some of it is just a straight-up public rink, practice rink. Other versions of that have had some seating, maybe 1500 seats. Would that be your preference, to play your regular season games at a smaller venue like that and save the big one, maybe, for ASU, or what are you guys thinking in terms of not only the second sheet but the ability to host fans in that arena?

MR. HAUFF: I think we would be very open to the conversation about something with a suitable number of seats to support a fan base that, again, has existed for a very long time in Tucson.

And what that size is, I don't know the exact number. I don't know if it's 500 or 1,000 or 1500.

And, again, yes, we consistently, even in some of our down years, can put 2,000, 3,000 people in the stadium for a game against ASU, because, as we all know, we love to beat ASU.

But one of the things that makes our program unique and different is the experience that not only our student athletes get to play in an environment likes the TCC, even if it was in a smaller arena, it's
still different than everywhere else they go on the
road.

Everywhere else is kind of your traditional run-of-the mill ice rink that maybe has bench seating for a couple hundred people, and it certainly -- you know, it doesn't draw fans. Those programs don't really utilize ticket sales or anything like that to support their programs.

And, you know, the teams that -- on our schedule that come here, they look forward to the games here every year, because they walk into what feels like a professional environment to them, playing in front of more fans in one night than maybe they've seen in three months in their hockey program.

And I think that's something unique and special about what we offer here and what Wildcat hockey does, and we would be open to talking about what right size an arena looks like to support the mix of bringing in Arkansas versus bringing in ASU.

MR. IRVIN: So I'm glad you're here. I had a chance -- we've been very involved with Coach Berman trying to make sure that -- we're trying to -- I truly understand what his issues or concerns are.

I just, on an unrelated trip, actually flew up with the team when they went up and played in Denver
and flew back with them as well, although under a completely separate reason, had a great chance to visit with him.

And I know we bounced around what's the best size for this second sheet of ice. And I've heard everything from we need 2500 seats to 500 seats. So big difference in cost with those two.

MR. HAUFF: Absolutely.

MR. IRVIN: I think we want some serious direction from you guys in exactly what you're thinking relative to seating so that we -- because, as I understand it, you have average attendance of probably a thousand at most of the games. And then when you play ASU, you know, you need the arena.

And coaches tell me that, but nobody's ever really said to me, "Mark, here's how many seats we need in this arena." So we need some help with that and probably sooner rather than later.

MR. HAUFF: And, again, I'll acknowledge, I'm out a little bit on a ledge today because my person from governmental human relations didn't attend, so I hope I don't get in trouble when I go back.

But, yes, the time is certainly now to engage. And Chad reports to me. He and I talk a lot about this stuff. I'm willing to -- and I know I can
get a couple other people to engage.

If there's really serious dialogue about that second sheet coming together, we clearly want to participate in helping find the right solution.

MR. IRVIN: And even though it's not ice, we did just have a deck rink built at the Boys' and Girls' Club that is available to Chad and the team. Obviously, it's a different kind of experience. But it is close to campus, and it is available to the community.

MR. MARQUEZ: I'm curious to hear from Glenn. If there was a high quality second sheet of ice with the appropriate amount of seats, a high quality second arena, what would that do inventory-wise, SMG-wise when you're trying to sell out the arena for the dates over there except for ASU games?

MR. GRABSKI: I think that short term there's no question the City could lose some revenue if they're not collecting the revenue over there, because in addition to the Roadrunners and the U of A, come here any night of the week, and we're slammed back to back to back with youth hockey, adult hockey, women hockey, until 11 o'clock at night.

So that would take some stress off the building. That would take some stress off -- as we're
increasing our other programming to be able to open up
Fridays or Saturdays, per se, which are the prime dates
you want, also, going and looking at situations where
they've been out of the building for three weeks, can I
put this program in and still feel good about myself
kind of thing.

So that would take a lot less pressure off
and open up the calendar considerably.

MR. IRVIN: Picking up on the same thing,
what happens if we design a rink with parking on top,
and that rink is designed in such a manner that when
the gem show is here, when everything in the world
changes in Tucson, we can actually use that arena as
gem show exhibition space; is that -- I'm assuming you
would have no problem selling that out?

MR. GRABSKI: Boy, that's a little
complicated insofar as with the resolution that TGMS
has with the City, we just can't bring in another gem
show. That would have to be changed, unless AGTA or
TGMS expands. That would make it -- that's the easiest
way.

One of the ideas of having another sheet of
ice, or whatever, is when gem show is playing, they
have some place to practice, and they're not out of the
building, out of the city, you know, for three weeks,
CHAIRMAN McCUSKER: Your program is not an official part of the athletic department, right?

MR. HAUFF: That's correct. It's a club hockey program.

CHAIRMAN McCUSKER: So we shouldn't expect any resources from the athletic department or the University or the general fund; you're really independently funded?

MR. HAUFF: Yes.

CHAIRMAN McCUSKER: You pay your own rent?

MR. HAUFF: Yes. It is a -- essentially a break-even proposition or as close to it as we can get in the last few years to sustain what is a student club program at the University.

MR. IRVIN: Something that's important is their foundation -- I wouldn't cut the University out just because of that issue. I think if we're going to do some of this stuff, we're going to need a lot of help from a lot of different people.

So as much as I appreciate that, I don't think I'm quite comfortable yet saying that the University can't help.

CHAIRMAN McCUSKER: Phil, it's not on this current list, but we've had some conversations about
the cost of another rink.

Can you, off the top of your head, ballpark for us another rink with seating, you know, a rink with some sort of amenities, i.e., parking? Are you comfortable doing that?

MR. SWAIM: Phil Swaim, Swaim Associates Architects.

Fletcher, it's probably a little bit dangerous in this venue to be able to just toss out some numbers to you right away.

The challenges -- we've been looking at a lot of options. One rink -- one sheet with the possibility of having separate -- or a second component to that building that could either be a third sheet or could be a gem show or exhibition hall space --

CHAIRMAN McCUSKER: Let's not get too glamorous. Let's kind of just stay basic. A rink, 1500 seats, and a parking garage. Let's kind of start there.

MR. MARQUEZ: On the roof.

MR. IRVIN: Parking on the top.

CHAIRMAN McCUSKER: Is that a five-million-dollar thing? Is that a 10-million-dollar thing? Just try and help us ballpark.

MR. SWAIM: Now, you're -- unfortunately,
that's not a seven-figure number. It's an eight-figure number. So it's probably in the -- you're probably looking towards 20, 25 million dollars sort of thing or up.

I mean, we've actually had numbers anywhere from probably 25 to $45 million as we've been looking at different ranges.

It depends upon the quantity of parking. The parking actually needs to be standalone, adjacent to it, not something that's tied into the structure on top or so, because that doubles the cost of that parking.

It probably plays into it if we add a parking lot on Lot A -- or a parking garage on Lot A that can reduce the size of that parking lot.

The other key component that goes in with that that actually has been included within those numbers is actually meeting room space, which to -- which I think is actually one of the highest priorities for SMG and the City, especially with the hotels and things coming in.

But a rink itself, plus seating and locker rooms and that sort of thing, by the time you add in concessions and some retail, is in the 50,000 square foot range.
So those numbers add up fairly quickly at -- obviously, if we're able to reduce that cost because we're already redoing the ice plant and can make that dual purpose, I think that that can certainly save a couple million dollars off that cost as well.

CHAIRMAN McCUSKER: And if we just build the rink and no parking, what's that number?

MR. SWAIM: That's certainly getting down closer to the $15 million range or something like that, I would assume.

But, again, we probably ought to be more -- there's a variety of things that go into that in terms of how it's connected to the Convention Center from a lobby standpoint and restrooms and other things, so --

CHAIRMAN McCUSKER: That puts it into context for us.

Elaine had something that she wanted to say.

MS. BECHERER: I was just going to continue with what Joel was saying.

So what we heard at last month's Rio Nuevo board meeting with 192 junior Roadrunners, 240 adult hockey league players, it's over 600 additional people
coming to skate at the facility.

So, you know, some -- we can look back from two years ago. But, really, what Rio Nuevo and the City did two years ago is that you launched a new community asset in Tucson, Arizona, and that's hockey, and that's skating.

We are now at a point where to what level and to what extent do we want to continue to invest in that community asset, whether it's the U of A, whether it's the Coyotes, the Roadrunners, the deck rink, hockey, it's hockey in Tucson.

And that second sheet of ice, we're at that pivotal point. There is a demand. We have looked at some additional pro formas.

And if it's accurately programmed and maintained and operated, a community ice rink can generate additional revenue. And what it also does, it alleviates the burden on the TCC, on the actual arena.

So then what SMG will need to do is market, market, and market and bring new events into the arena, because they have all these dates opened up. That's additional revenue.

MR. SHEAFE: Let me ask you a question here on the numbers. Phil, if we can replace the current
floor, because, really, what it is, is we're putting in a new ice system, so it starts from scratch.

You tear out the old one. You get rid of the cooling system. You tear out all of the machinery. Now you've got nothing. Then you rebuild it and put it in, and the number is coming out close to two million.

So when we're looking at a second sheet of ice, really, we're looking at two components. We're looking at a building. That has a number. And then it's probably a couple of million dollars to add the ice element to that building.

So we have a lot of options on what we do with that building and how we structure it. The actual --

CHAIRMAN McCUSKER: Could be a field house.
MR. SHEAFE: Yeah, could be a field house.

So the second sheet of ice is a couple of million dollars. I think it's important that as we think through this -- because in my own mind I'm sitting here thinking, you know what, if this opens up venues for Glenn and SMG that we don't have because the current ice is blocking that, that generates a lot of revenue, and also flexibility that we need -- that's an important component.

So it expanded the conversation quite a
bit. But I'm right in what I'm saying. I mean, is anybody objecting to the idea that that second sheet of ice is roughly $2 million?

MR. IRVIN: I concur.

CHAIRMAN McCUSKER: I'm putting the second sheet of ice kind of on the right side of my comp, because it's not in the current budget.

This is an interesting exercise, because whether it's 40 million or 55 million or 60 million, we don't have any of that money.

So anything that we do, we're going to have to finance. So it's really a question of the ability to provide debt service, to -- you know, we will have to go to the legislature with this.

You know, I think, in my mind, we're going to get one shot at this. And this is our arena, and this could be our Lincoln Center. Probably we're not going to get a new arena. That would be a Rio Nuevo fantasy and fallacy.

And what's the difference between 40 million and 60 million? If it's financeable, if we have the income stream to support it, I think we need to look seriously at these kind of alternatives.

So what you're looking at today is just kind of what we have to do. And then there's another
conversation about what we might want to do. And that includes parking, which is a huge problem here.

You know, if we took another parking lot to put a ice field house there, we just eliminated 550 parking spaces, you know. And we're talking about enabling a hotel on the east side, but only if we secure additional parking.

So there's a lot of conversations tied together about this. But this is probably the one shot this particular Board is going to get to really do a major enhancement of these venues.

And, you know, if we put some more Band-Aids on it and kick it down the road, I'm not sure there's going to be anybody behind us. So I think it's kind of a now-or-never conversation.

Anything else on the hockey, ice, second sheet?

What's the Board's pleasure?

So we can kind of go through all of these things. If somebody wants to say yes, let's do the ice, we have --

MR. SHEAFE: Let me put it in a little different perspective. This is just me speaking.

I think what we're trying to do here is identify the components that we need to deal with. One
of them is the current condition of the ice hockey, and
the second one is the possibility of a sheet.

The next thing we're going to do, when we
get the list of everything we're here to talk about, we
say, well, this is the grand scheme, the golden view of
all the changes that we want to make, then the next
view is, all right, how do you prioritize this?

After having done that, then we can lay in,
what's our plan for actually getting this done?

CHAIRMAN McCUSKER: So let's stay with the
arena.

And, Greg, on the other arena list, we've
talked about the roof. You've got some other smaller
items there, lighting, Zamboni door. That's kind of
it.

So anything else, Glenn or Greg, on the
arena?

So we kind of have the arena package. It
came down to four million versus six and a half. But
if you did everything that's on this list, including
the roof, it's a six-million -- a four-million-dollar
item.

Everybody follow that?

MR. MARQUEZ: I have something to add on
the arena. I was having a conversation with Kevin Guy.
I said, "I'm curious. You've been in Phoenix all these years, got the downtown arena. How does ours compare?"

He said, "One thing is missing. One thing is missing." And he said, "A digital ribbon around the interior" -- I guess --

MR. GRABSKI: Ribbon boards.

MR. MARQUEZ: Yeah, up top. He said a digital board brings more excitement, obviously additional revenue for advertising.

What are your thoughts on that?

MR. GRABSKI: Most ribbon boards are placed between like a 100 level or the 200 level or a suite level, and they extend around in a donut. We're all very familiar with them.

Very -- we don't really have that type of structure. We can definitely place them -- if you look at what we call the horseshoes, the corners, the walls on the southeast, southwest side, you know, even the northeast, northwest side, those could go to a ribbon board. It's nice to have. It's nice to have.

CHAIRMAN McCUSKER: Any idea what something like that would cost?

MR. GRABSKI: I do not. I do not. Is it a have to have, given priorities? It's -- I'm not there with that.
MR. MARQUEZ: We've got a massive list of deferred maintenance. At some point we have to look at the sexy factor for the community to come down and enjoy hockey games or arena football.

We need to look at the digital signage, whether it's the ribbon inside or -- I just attended Kevin Hart at the Music Hall last weekend, and he was super funny, great guy.

But as you walk up to the box office, it's kind of dark, and you've got a spray-painted board that was spray painted black that kind of covers the window.

There's no digital signage, no advertisement of what's coming tonight or what's coming next week. We're lacking some of that digital presence.

MR. JACKSON: Mr. Chairman, some of the other enhancements that we might want to think about at the arena, standing concessions.

We've looked at pull out the east wall and expand that area. Our hallway and concessions are really tight in the arena. So there's opportunities that if you expanded some of those areas, blow those walls out, you could enhance concessions. You can then have space to put in more suite seating along that
There's one section on the northeast side where you can put in a deck of seating as well to make kind of like a box down there.

So there's some other enhancements that we could look at at the arena that would make it, kind of like what you're saying, a higher quality facility. It's not on this list. We've discussed some of those things and have not had the time to --

CHAIRMAN McCUSKER: I would say that's not representative of this list. This is the list, you know, to get us by --

MR. JACKSON: Correct.

CHAIRMAN McCUSKER: -- as opposed to really looking at something that could enhance, improve, create some sort of future interest in that. That might be a whole different --

MR. IRVIN: What you're talking about in the deferred maintenance piece, if I just look at the roofs, look at the HVAC, it's getting close to 11 million bucks.

And I just know when we did the TCC arena, that, you know, we spent our money focussing on the fan experience rather than taking care of deferred maintenance stuff.
And so I'm not that excited myself, personally, with addressing deferred maintenance stuff with Rio Nuevo dollars. But anything that enhances the fans' experience, I'm all in. I don't think we should be taking care of deferred maintenance. But that's just me.

CHAIRMAN McCUSKER: The City stepped up for the HVAC. I think there's an ongoing conversation with them. Mr. Ortega couldn't be here today. But I think what comes out of this is if that's where we end up --

MR. IRVIN: New discussion.

CHAIRMAN McCUSKER: -- then we go back and say, "We'll do the improvements, but you guys got to figure out the maintenance fees."

Elaine?

MS. BECHERER: So I think for consideration what I would throw out is that there's actually another list that has been running parallel to this deferred maintenance list.

So for the Board to take action on, let's say, the arena, Mr. Marquez and Mr. Irvin are spot on in that it's only looking at the existing assets. It's not looking at the bigger vision of what you want the arena to be in the next 25 years.

And so prior -- or before making the
decision on X amount of dollars for the arena, I think it's worth going through the exercise of looking at what new assets could complement the existing arena but will bring in new revenue.

For example, premium seating, what could that look like, whether it's filling in the corners or blowing out the east wall.

And so I think -- I would hope that the Board would consider that it's not two separate conversations, because they are integrated. And new assets will support the fan experience, which then brings more fans and more revenue.

MR. IRVIN: So, you know, I don't think there's any question that Rio Nuevo is instrumental in bringing hockey to Tucson, Arizona.

So we, as a Board, have, I think, a significant investment already made in that. It would be an embarrassment to have our floor go down and not be able to address stuff.

So, to me, I don't really see -- I know we've got -- that's one piece of this overall discussion. And some things on this discussion I think we need to have more discussion about, but the floor I'm not really sure we do.

I think I share with everybody that we
probably -- not probably -- that we do need a second
sheet of ice. I think we have questions that are
unanswered.

You know, can we run two ice sheets off of
one chiller system? If so, how close proximity do they
need to be to each other?

So I think we need a little bit of guidance
back on that. But I think once we have that guidance,
you know, I think we should -- and I think the Board
pretty much said, unless I'm wrong, Mr. Chairman, that
we wanted to figure out a way to take care of that
floor. That was really important to us.

So I think it's neat to know that it's
going to be roughly two million bucks. But I don't
really know what that means.

You know, I don't -- you know, I'm just
still struggling with does that really cover
everything, you know, do we need one chiller system, or
do we need two, something that would back up? I have
no idea.

CHAIRMAN McCUSKER: Part of what you might
think about doing is authorizing $2 million to go to
replace the current sheet of ice and then allow them to
figure it out.

Maybe you say $2.5 million. That way we,
as a Board, have authorized the use of our funds to immediately improve the ice plant, and then the devil is in the details.

We went through that when we remodeled the arena. We set a budget, and we bid it out, and things moved around based upon a lot of factors.

You know, I'm kind of inclined to do that. You know, if it's that urgent and that pressing and we have that money, that's something we can fund in turn, is we get that going.

And then the other option that I asked Chris about, you can peel that off and deal with it now or go through the rest of this, because you might find something else that is equally as urgent.

And maybe today we approve some maintenance repair enhancements that have some urgency to it, and then you go back to the broader issue, is what do we really want to do.

MR. IRVIN: I'm not sure I'm comfortable releasing it with a specific number on it yet, because I think we have to go through a procurement.

Help me out, Counsel, if you would.

I think because we have to go through a procurement, you know, we should specify exactly what we want and then see what comes back in. Hopefully,
it's south of two million bucks, but we may
find something that --

CHAIRMAN McCUSKER: That's another way to
do it is you authorize release of --

MR. IRVIN: Yeah.

CHAIRMAN McCUSKER: Do we have enough
detail to write an RFP?

MR. GRABSKI: Not yet. We have a
gentleman coming in the week of Thanksgiving to walk
the facility who has done these RFPs, a consultant.
Until he comes and visualizes the -- and walks the
space, we do not have that information -- enough
information yet.

MR. SHEAFE: Would it help you if we did
take a position that we're going to do this and release
the RFP study so that you can get that work done and
come back and get something to approve?

MR. GRABSKI: That would be a help.

CHAIRMAN McCUSKER: We would need an
architect first, I would assume. We can't go hire a
contractor until somebody --

MR. GRABSKI: From our initial
conversations with a firm that does this, they -- from
their perspective, they use an architect primarily
for -- if you have to readjust the plant room for
safety reasons.

CHAIRMAN McCUSKER: So we could bid for an ice contractor to price for us the repair of our ice and give them enough specifics where they can intelligently bid on it, and we don't need to hire an architect in advance --

MR. GRABSKI: Correct.

CHAIRMAN McCUSKER: -- and what you discussed?

MR. GRABSKI: Correct.

CHAIRMAN McCUSKER: And we can authorize that today?

MR. IRVIN: We can have them work with counsel and the executive officers to generate an RFP to go out. And, obviously, when we get the bids, it comes back to the full Board to look at and approve so --

CHAIRMAN McCUSKER: Make a motion.

MR. SHEAFE: Why don't we specifically, then, authorize the release --

MR. IRVIN: You go for it, Chris.

CHAIRMAN McCUSKER: If you're making a motion, make a motion: "I move."

MR. SHEAFE: I won't say I move until afterwards and it has any intelligence attached to it.
Then I'll say I move.

So I move that we authorize the release of an RFP that includes a review of our options of how we would handle a second sheet of ice down the road.

So we would either be enough capacity to only -- with recommendation of what we do with the second sheet of ice, only service the one sheet, as opposed to maybe having the capacity to expand the central facility that could feed both. So we look at both of those.

CHAIRMAN McCUSKER: We're going to outlaw you from --

MR. IRVIN: So I think your motion is you authorize --

CHAIRMAN McCUSKER: He's not made a motion. He's told a story.

MR. MARQUEZ: I'm so confused.

MR. SHEAFE: Let's try it again.

I move that we do the authorization for the RFP and include in the RFP the option of only servicing one sheet of ice as opposed to possibly having the capacity to service two sheets in the future.

CHAIRMAN McCUSKER: Period.

MR. IRVIN: I'll second that.
CHAIRMAN McCUSKER: Okay. The motion is to authorize Rio Nuevo to release an RFP designed to prepare the current sheet of ice and chiller system and allow us to at least scope the opportunity to service two sheets of ice.

MR. IRVIN: I'll second that, too.

CHAIRMAN McCUSKER: I'm speaking English. Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez?

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe?

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin?

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jannie Cox?

MS. COX: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

So that's unanimous. We're going to go fix your ice. Okay. Let's come back in order, then. Glenn and Greg, you might as well stay up there. "Convention Center/Exhibition Halls/Meeting Rooms."
There's no doubt that these meeting rooms are obsolete. Now, you've got a, you know, remodel, glass, air, lighting, update sound.

We've talked about some sort of smart board, more of a boardroom kind of thing. I don't know if all that's in there. Meeting rooms, call it two and a half millions bucks, two million bucks without the HVAC.

So your point, Mark, two million of the two-five is enhancements, not deferred maintenance?

MR. IRVIN: Correct.

CHAIRMAN McCUSKER: Does anyone want to say anything about the importance, urgency, of the meeting room renovation?

MR. GRABSKI: Well, I'd probably back up a little bit, and let's talk about the Convention Center as a whole.

You know, the arena and what goes on in the particular events and hockey to the general public is very sexy.

I believe we're at a point within the lifecycle of this building that the Convention Center has the biggest potential of economic impact -- increased economic impact currently.

Any economic impact increased in the arena
is going to be incremental compared to what we can do in the Convention Center, especially when you put in light of five new hotels downtown. Their lifeblood is going to be very much dependent upon this during convention and association business.

We have to be competitive in going out there and sell. Visit Tucson has to have a competitive item to sell.

Selling convention space, association space, falls equally on the DMO, CBB, or whatever you want to call it, Visit Tucson, and SMG, who is managing the space.

With these hotels coming online, it's going to be good -- it's going to be important to have an asset to go out and sell to these groups that opens up around the same time.

CHAIRMAN McCUSKER: Can I assume, therefore, that what you're saying is this $8 million package is equally weighted in your mind?

If we don't do one or the other or one before the other, but you really, in order to be competitive -- we'll ask Brent to speak to this -- it takes the whole $8 million request?

MR. GRABSKI: You know, I look at some -- probably some of the smaller things. And if you need
to value engineer it, you probably can.

I also trust Brent's opinion on do we have the right facilities and the right place. We have talked about in our -- let's come up with all kinds of ideas.

Not only is the size of the meeting room space, the breakout space, inadequate compared to the size of our ex floors, but the location is not currently what's done in the business.

They, preferably, all things being equal, rather have them by the ex halls, because that's what conventioneers want. They don't want people walking a long distance, because then they don't return. They want everything pretty --

CHAIRMAN McCUSKER: Is there anything in here that the current entrance foyer is better utilized?

Could that be a junior ballroom or converted to meeting rooms or expand the ballroom? Is there anything in here that -- or are you still working within the existing footing?

MR. GRABSKI: This is still using existing infrastructure. Nothing in the CIP list really is additional infrastructure at all.

So, again, as we talked about, enhancements
to the arena, sure, there's other ideas about enhancing the meeting experience, the association business, the convention business.

MR. MARQUEZ: So beyond us being the largest city in the country without a convention center hotel, get past that, which hopefully we're resolving that soon, I've always wondered that.

So what is your next big hurdle with selling out these rooms? Is it the location of where they are in the footprint, or is it because we have lime green on the walls and casino carpeting? I mean, what is it?

MR. GRABSKI: I think the lime green stays.

MR. MARQUEZ: Not for this dollar amount.

MR. GRABSKI: Yeah, I mean, when I think about, okay, back -- selling this place, selling this asset, when I look -- when I try to determine what -- any asset, the amount they're selling, what's my competitive advantage, what's my competitive disadvantage.

And Brent can probably address this better than I can. But I want to make my asset the fewest amount of disadvantage as possible. If I have a disadvantage I can't control, I want to overweight it
with something else that works.

So given, you know, that -- without having one large hotel, which most people in the business, that's how business is done. We can't say we can't redefine how business is done, lots of smaller hotels, but what are we doing to really make it a wow factor to attract business here.

CHAIRMAN McCUSKER: Let's hear from Mr. DeRaad. Can you tell us about the Convention Center in context with this $8 million proposal and how competitive that will make us?

MR. DeRAAD: Certainly.

Good morning. I'm Brent DeRaad, present CEO of Visit Tucson, D-e-R-a-a-d.

Again, when I take a look at the entire list of projects here, we've got roughly 43 million, and a lot of that is just deferred maintenance out there. So at some point I think it's going to be crucial to address that.

Some of my top priorities, though, I think, would probably go into that second list that you have in terms of just some other things that I think could really make -- if you want this to be a true convention center where we can bring in citywide conventions, some of the things that we're looking at is possibly adding
on to the meeting space.

Again, there's no question this meeting space needs to be refurbished, air walls, that type of thing.

But I think building some meeting space that would be adjacent to what you're looking at here with the exhibition halls, I think that's going to be vital.

Phil, I believe you had that in your plans for a while in terms of trying to build some meeting space over that yard right in the back of the facility.

So, for us, I think that would be great. And I think just some basic refurbishments to the exhibition halls.

One of the things at the top of our list, the restrooms. I think that's going to be right up there at the top. I think the parking garage is going to be vital.

CHAIRMAN McCUSKER: Restrooms are here, but the parking garage is not.

MR. DeRAAD: Correct.

Fiber protect throughout the building.

We've got some other things out there as well.

By the way, we're fully supportive of
moving forward in the summer of '19 with redoing that ice plant.

Whether you have the second sheet, and I've got some things I can share with any of you. That's kind of top priority as well.

We've got the Jehovah's Witnesses' three conventions versus seven in most summers. We'll go back to seven in 2020. That could be done in the summer of '19 with the ice. I think that would be ideal.

But, for us, dressing up those exhibition halls, adding to your meeting space, relocating at least part of that meeting space so that it's adjacent to the exhibition halls, that's going to make us, I think, more competitive.

You know, again, Edmund, you mentioned just the Convention Center hotel. For us, having -- I think the collection of hotels that's coming in will be fantastic for us.

When we look at some of the cities we compete against for convention business, you're going to have large hotels with thousands of square feet of meeting space attached to or within one block of the actual Convention Center itself.

So I'm not saying that we can or --
CHAIRMAN McCUSKER: The new Hilton design has some meeting and banquet space in it. Is that still under where you would want us to be?

MR. DeRAAD: I think for us, based on the current size of the facility, we would love to have 2,000 rooms within walking distance.

CHAIRMAN McCUSKER: But in terms of meeting space, if they put in half a dozen breakout rooms and boardrooms, does that get us closer?

MR. DeRAAD: We probably need in the neighborhood, I would say, of between 100- and 200,000 square feet of meeting space and hotels approximate to the Convention Center to compete against Albuquerque and Palm Springs and other cities of like size.

MR. IRVIN: And where do you think that number is right now?

MR. DeRAAD: I think right now, you know, we're probably in more the 10- to 20,000 square feet.

CHAIRMAN McCUSKER: I think they're 10 to 20 -- this is probably 20.

MR. GRABSKI: Right here is ten-one, the wall.

MR. SHEAFE: I have 10 right here. So this really isn't that critical, then, compared to what you need --
CHAIRMAN McCUSKER: The new hotel will have 15 to 20 --

MR. GRABSKI: I think, yeah -- was it 4,000?

MR. SWAIM: About 5,000 square feet.

MR. GRABSKI: Roughly, rule of thumb, when you figure out that if you round up to 90,000 square feet on the flat floor on exhibit halls, somewhere between thirteen-five and 18,000 square feet of breakout space that you need to associate with it, that's a very rough rule of thumb when you're trying to plan it out, space on campus.

MR. SHEAFE: You mean right next to where the big --

MR. GRABSKI: Preferably.

CHAIRMAN McCUSKER: I think I'm --

MR. COLLINS: You guys, you can't be talking over each over.

CHAIRMAN McCUSKER: We can. She just can't hear it. Whose problem is that?

MR. COLLINS: Ours.

CHAIRMAN McCUSKER: So is that another 10,000 square feet of space? You fix this up. The hotel is going to have five. And we put another 10, and we're 25,000 --
MR. DeRAAD: If you could locate another -- at least in my opinion, another 10- to 15,000 square feet adjacent to the exhibition halls, I think that gets us in the neighborhood where a specialty -- again, we're not talking about citywide, you know, 5,000 people, necessarily. We could probably compete for groups that, I would say, a thousand to 2500-person range, which we currently cannot.

CHAIRMAN McCUSKER: While we're on the Convention Center, anybody in the audience want to talk to us about the Convention Center itself, ex hall, bathrooms, meeting rooms, ballroom?

MR. MARQUEZ: I'd like to talk about the bathrooms real quick. I mean, if you look at the venue priority for the staff, bathroom is number one. Bathroom is number one.

I mean, we have to -- at some point we've got to get into those restrooms and modernize them. We did a great job in the arena. It's like 1985, and the other one --

MR. SHEAFE: Let me ask a question to Glenn.

One of the things that I've noticed in -- for example, for years I was a homebuilder, and I
attended NHB, and I was involved in selecting the cities that would win that award, one of the most competitive conventions, because it's one of the largest conventions that goes on in the country, kind of like the auto dealers. There's only four or five cities that can hold them.

But I remember being impressed, and I think it was Dallas that did this, they put a lot of emphasis into their whole sound system.

So when you were in their breakout rooms or in the large convention meetings, you could actually hear what was going on.

And I know up in Vegas, for example -- they've changed it -- but very often in the breakout rooms, and I sense that goes on here, you really -- the whole sound system doesn't function that well.

I thought it was interesting when we did the thing the other day with the football, and it was very difficult to delineate some of the sound that was coming across.

And I have pretty good hearing, but I could tell that people were not tuning in to some of the things that were being said.

Yet, I notice on the sound system, it's down around five. And I'm wondering if that's
CHAIRMAN McCUSKER: What do you get for this half a million dollars?

MR. GRABSKI: I -- honestly, I can't remember exact what the scope was for that and how those things developed.

The problem a lot of times when we're doing these lists and stuff -- I wish I had a 1-A and a 1-B. And so I agree with you, sound is -- needs to be improved.

It's -- as somebody who has a lot of old audio equipment at home, I laugh at what we have back in the back room.

And just for fear -- the age of it and the way technology is today, it absolutely could be improved across the board.

Again, you're trying to split hairs about what's the most important thing. And the most important thing to me, when I look at things, besides life safety and those type of issues, is what's going to generate the most money that potentially then you can make money to pay for other things that you want to have.

MR. SHEAFE: I'm not trying to lead you. I'm just curious if in the marketing of a convention
facility, the ability for people to do breakout
sessions or be in the large auditorium and their
ability to actually hear what's being done and
delineate the language and the words, if that makes a
difference or if it comes up. I don't know. I just
know my own personal reaction.

MR. GRABSKI: Greg could probably speak
more than I can about it.

I don't see that as a deal breaker when
you're trying to close a deal to get a convention. It
could be a selling tool: Look, we have this great new
system. But I don't see it as a deal breaker.

MR. MARQUEZ: I think it's expected when
they come here. I think they expect a high quality
sound system. We also have updated data. That is such
a big deal nowadays. When you go to an exhibition hall
or go to a convention, you expect high-speed Wi-Fi.

CHAIRMAN McCUSKER: Let's move on to the
Music Hall. Edmund, your favorite conversation.

MR. MARQUEZ: Yes.

CHAIRMAN McCUSKER: You want to make a
speech?

MR. MARQUEZ: Yes. I would like to give a
little mini speech.

So I was invited to the symphony. It was a
beautiful performance. I loved it. Amazing music. I felt like beyond the music, I had visited a facility that was in 19-, maybe, -82.

The bathrooms are horrible. The carpets, casino. Just not an attractive facility. So that's kind of what spurred a lot of this was that simple visit to the symphony.

My take on the list here is I would just simply circle it all. I know that we have owned the arena, we own the exhibition hall, but this comes down to pride for our community.

You want to attend the opera, you want to go to the symphony, and you want to have a high-quality experience.

I mean, Kevin Hart, last weekend at the Music Hall, I felt bad for the guy, because he had to hang out backstage at our Music Hall.

We need to modernize it, and we need to pump some pride into that location so that we have something to brag about when we talk about having our -- what do you call that -- which hall were you referencing?

MS. BECHERER: Lincoln Center.

MR. MARQUEZ: Lincoln Center. That's the wrong Lincoln down there. We need to remodel that
thing bad.

MR. IRVING: Edmund, for whatever it's worth -- and I'm not trying to distract or take anything away with that, because I feel the same way.

We need to -- this is a holistic project, and we need to think about Leo Rich and the Music Hall and Eckbo Fountain and all those things.

I would, however, like to just make a couple of distinctions. First is, you know, we have the TCC we own and these other things which we don't. I know part of Eckbo flows into this.

And I'm not discounting the fact that we should try to figure out a way to help with these things.

But I know when we originally talked about this, we were hopeful that there would be a funding source with some revenue that might come by them taxing themselves for the tickets, which they elected not to do.

I -- you know, and I don't want to make any misbones (phonetic) that I don't support this, because I do support this.

But I think what's interesting is that if I have to support this versus doing what we need to do
with our primary component, which is the TCC, I struggle with that.

If we can figure out a way to address all this stuff in one big, huge package and get other people to show up and help us, then I'm happy to reach out and be involved in our secondary components.

The other thing I might also point out, regardless of what component they are, is the way that our lease structure is with the City of Tucson, they're a triple net lease structure.

What that means, for those of you that aren't familiar with that, is upkeep, maintenance, all that stuff falls on the City's -- that's their deal.

So I think we're going to need the City, since we're going to step in and help them with a lot of the stuff that we don't own, we do need to have a pretty serious discussion with them on that.

And I look at just the Music Hall as an example, and I'm not going to get down to nitpicking some of these other items, but if I just look at the roof and the HVAC, you know, we're north of a million bucks there in this budget number that is, you know, issues that are deferred maintenance, notwithstanding some of the other things that I could pick on for deferred maintenance.
So I don't want to take away from us supporting these things. I think if we don't figure out a way to do it, it probably won't happen.

And I agree with Fletcher that this ought to be our Lincoln Center, and we ought to go big or go home. So I support it.

But I do want to have that distinction that this is a secondary component for us. And in my humble opinion, our primary component shouldn't suffer because of us supporting a second one.

But I think we should try to figure out a way to get the troops all together and do it collectively and one big thing that includes all the stuff.

MR. MARQUEZ: And I agree with you. I agree with you wholeheartedly. And I do -- my pushback is like HVAC and roof. I mean, you have a lessor/lessee relationship, and there's some responsibility.

My -- more of my passion comes behind the fan experience. I just think when people attend, I mean, the people -- I attended the symphony. I didn't see how bad or good the roof was or didn't notice how hot or cold it was in the room.

I just saw that the bathrooms are outdated.
The carpet needed to be done. The seats were old. And I didn't -- even the wood paneling behind the symphony wasn't very sexy. So I just think there's some opportunity there.

CHAIRMAN McCUSKER: Mr. Collins, exactly what do we own and not own and --

MR. COLLINS: You own the Convention Center. You do not own the Music Hall. You do not own --

CHAIRMAN McCUSKER: The Convention Center, the arena --

MR. COLLINS: Yes.

CHAIRMAN McCUSKER: -- and the parking lot adjacent is leased to the City of Tucson?

MR. COLLINS: You have leased the east parking lot to the City of Tucson. You have not leased the west parking lot.

CHAIRMAN McCUSKER: And then the City owns the Music Hall and Leo Rich --

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: -- and the plaza?

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: The symphony is here. Patricia, you wanted to say something?

MS. SCHABE: Yes. Patricia Schabe. I'm
here with a couple other people from the symphony. I'm representing the trustees, too, this morning.

I think it's great to be having a conversation. That's a beginning. We haven't had this conversation about the Music Hall for a long time.

And Glenn just walked out, but I think there is two conversations going on, one, who is responsible for what and who owns what. And I know that makes a difference in the ability for Rio Nuevo to invest in these facilities.

However, when people do visit the facilities, the guests don't know if one is owned by Rio Nuevo or one is owned by the City.

They just come. They visit the buildings. They have an experience. And I think, one, Rio Nuevo has done in a great way the last five, six years has created different experience for people who come to downtown Tucson.

Again, people go to the Music Hall. They don't know that that is Rio Nuevo ownership.

So if we could address some of the deferred maintenance, that would be something that we would love to figure that out. I know that is something that Rio Nuevo and the City has to figure out how that gets done.
But the deferred maintenance is really something that needs to be addressed. It's an embarrassment. I didn't want to talk as harsh, but you mentioned it already, and you used those words.

I don't know how many of the Rio Nuevo board members have visited actually the facility, not just for a show, but has taken time to visit the dressing rooms, bathroom, the handrails on the balconies, some of the electrical, the lighting.

It just makes us all look bad. The symphony rents about 15 weeks during the season. It brings hundreds of thousands of people. I think I have numbers here. Couple hundred thousand, 150,000 guests. Students come to visit. It's also an intricate part of our community.

In my other hat, when I'm doing real estate and when I'm a restaurant owner, I'm always proud to tell people that we have a symphony. We have a great hockey team, but we have a symphony.

I don't know how many people here know that it is the 90th year of the symphony in Tucson. The symphony has been renting that facility nonstop since 1970-something.

We pay more than a couple hundred thousand dollars a year in fees, plus parking, plus security,
plus a lot of other things.

It would be nice to have some of these things taken care of. So I don't know if it's exactly going to fall on the City or Rio Nuevo can come and help.

But I think we do need -- we need the help. The facility needs the help. The symphony needs the help so we can really extend that experience, not only with the music, but also with the facility.

I don't know if, John, you would like to say something.

MR. PALMER: John Palmer, trustee, as well as with Patricia.

I can only echo what Patricia has said and the other gentleman said as well. It is a poor experience by comparison with any other symphony hall I've been to. I've been to a lot of symphonies. It's simply not a thing to be proud of.

There is lot of deferred maintenance, no question about that. And I have no idea how the --

THE COURT REPORTER: I'm sorry. How the --

MS. COX: Can you speak up a little bit louder, please?

MR. PALMER: I'm not sure exactly how the allocation is one over another. There's no question
the maintenance has not been kept up. But beyond that, a lot of things are well beyond their lifespan. It is a continually deteriorating experience year after year, and something really has to be done, or it won't survive.

MS. SCHABE: What we talked about the new hotels, you talked to the developers coming into town, or the current developers, and they do sell having some arts and culture.

We have a museum of art. The symphony is part of that. And we love the Fox, and we love the Rialto. But these, I think, merits some attention for sure.

I don't know if you want to ask questions?

MR. IRVIN: I was going to say, first off, I appreciate you coming. I very much appreciate your thoughts.

You know, I think if you ask most people in Tucson who owns all this, they're all going to say the City of Tucson. Nobody makes that distinction. That's just an internal distinction that we make because we know who owns what.

My big concern is, you know, we're going to spend money with this, and then are we going to fall back into the same situation that we're in now, which
is deferred maintenance, and we're going to be back in this discussion again.

So I want to have a discussion with the folks at the City to ensure that if we do spend the money, that it's going to be money that stuff is going to be maintained, because it doesn't do us any good to go in, especially with the money we just spent in the Tucson Convention Center arena, and not have it maintained.

I'm not saying that's the case. It is being maintained. But we've seen other stuff that's been improved, and then it falls back into a state of shambles again.

MS. SCHABE: We --

MR. IRVIN: We need to have that discussion with the City.

MS. SCHABE: I deal with tenants. We are paying rent. And we are good-paying rent customers. We pay every month, and we pay for everything, parking, security, paper cups, paper towels, everything.

We need to at least have some standards. And you are not Mr. Ortega, and you are not the city manager or the mayor of Tucson, but I have this conversation with the manager.

And if these were any other tenant, they
would be pulling the lease or managing the lease differently. We're not having clean bathrooms, and we're not getting handrails are --

MR. IRVIN: As you know, we're not a party to that agreement.

MS. SCHABE: I know that. I know that. But it's getting to that point. So I think what we can do to support the effort, to deal with the City, to come to some --

CHAIRMAN McCUSKER: I think there's some strings we can attach to our money.

And, Mr. Collins, you might want to speak to what we can legally invest in and we can't. But, generally, we can use our state dollars to invest in anything that's publicly owned.

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: So that can be Rio Nuevo owned, City owned --

MR. COLLINS: Within your district.

CHAIRMAN McCUSKER: Within our district boundaries.

-- County owned, State owned.

So we certainly have the authority to invest. The question is, you know, in the past, these have been adversarial relationships. And Rio Nuevo
didn't necessarily want to help the City or vice versa.

So, you know, I tend to ignore the ownership lines and look at the opportunity of our Lincoln Center.

And, you know, I haven't heard anything so far today that reduces this $8 million price tag. You know, it's kind of all the equal weight.

Again, if we're going to do it, there's nothing really here you can lop off. There's some conversations that Mr. Urban suggested that we have with the City about how we pay for some of this.

Yet, we did challenge the users, the ballet, the symphony, to contribute more toward the upkeep. And the only way to really do that is through some sort of sales tax effort.

I think the feedback you got is that it really puts a lot of strain on your patrons.

MS. SCHABE: I think that would be a great opportunity maybe SMG and you guys in the same room and maybe with the City, because there's definitely fees that gets paid beyond -- well beyond just -- and maybe there's a way to structure something without it costing a lot of extra burden on the --

Sorry to interrupt you.
CHAIRMAN McCUSKER: Karla, on the Music Hall?

MS. VAN DRUNEN LITTOOY: Yes. Karla Van Drunen Littooy with TCC Today.
Our organization advocates the full restoration. And most frequently I'm speaking to you about the landscape. But I do want to echo what Patricia and John are saying, and what all of the representatives of the symphony may say to you today.
I just want to add one point relative to this discussion. I'm a season ticket holder with the symphony and have been so for many years and frequently attend performances at both of our concert halls here.
I know that people are now choosing not to come to the Music Hall to hear the TSO, because they have an option up above River Road at the high school, which is a lovely performance facility with higher-grade bathrooms, a better sound system, a better patron experience.
So by not improving this facility, more patrons have a high likelihood of making a choice to attend more concerts up at that facility and not come downtown.
CHAIRMAN McCUSKER: Or Centennial Hall.

MS. VAN DRUNEN LITTOY: Well, I won't address that. But I'll --

CHAIRMAN McCUSKER: The only thing that is worse than --

MR. MARQUEZ: It has a bad sound system.

MS. COX: It's not good.

MS. VAN DRUNEN LITTOY: But I think we have to be mindful of that. There is a residual effect of doing less and less for the symphony and for the Music Hall, not only what's been expressed here, but I expect that they will continue to lose patrons because of the condition of the facility.

I, too, have had a chance recently to be in a number of music halls throughout the United States. And I brace myself when I come to the Music Hall, because I look forward to an incredible performance, and it's a very disappointing facility.

CHAIRMAN McCUSKER: Thank you, Karla.

MS. COX: And, Mr. Chairman, if I could just speak to Karla's other high priority, the Eckbo Fountain, that's our front yard.

CHAIRMAN McCUSKER: We're going to come to that in a minute. So hang on. Let me do the Leo Rich Theater, two and a half million dollars.
Glenn, who cares? What if we just ignored the whole darn thing? I mean, it seems really underutilized, and it's inappropriate for a lot of uses.

And is it really -- if we have to, you know, cut something, how important is the Leo Rich Theater?

MR. GRABSKI: With no disrespect, the Friends of Chamber Music that is our primary tenant there, if I had to pick my druthers, that's the last thing I would pay attention to.

It is a wonderful 511-seat room. I actually think it's the best room on campus. It is primarily used by The Chamber of Music. I think it works well for them.

But its other primary purposes, it's very much a community base. Think about small graduations, police graduations, that kind of thing.

So if we're looking for return or prices or anything, it is not a high priority to me.

CHAIRMAN McCUSKER: Anybody here want to defend Leo Rich?

MR. IRVIN: You can save about a million bucks of the two seven million dollars plus. The two seven is deferred maintenance with just picking that
two pieces, roofing and HVAC.

CHAIRMAN McCUSKER: There are some interesting opportunities. We've met with some choral groups. Typically, a choral arrangement is rectangular. We're triangular, so we really don't work for them.

There are some sound system improvements now that are computer driven and multiple speakers and seats and foyer seats and roof along the walls that give you some convertibility in sound.

A hall in Tempe, a triangular hall in Tempe, just put that in. The engineers have told me, "I can give you the Vatican. I can give you the Sistine Chapel. I can make it a big arena or a little arena electronically."

And that was not very expensive. It was under a million dollars, you know, relatively speaking.

But we just don't seem to have the users that even if you improved it, that there's that kind of demand. And if we really do run short of money, you know, it may be the thing that you defer to a later date. That's enough money to build a parking garage.

Okay, Jannie, your favorite topic, Eckbo Plaza. I must say, I was surprised that the plaza and
exteriors is an $11 million item.

And, Greg, you might want to speak to that. It seems like the landscaping number is kind of just a thrown-in-there number.

I think there's been a lot of research done on Eckbo and the restoration of the fountains themselves. But speak to that two and a half million dollars of hardscape/landscape.

MR. JACKSON: Sure. So, as you mentioned, the fountain piece, there's clearly been a lot more homework done on that.

The landscaping/hardscaping, this was really driven by just taking linear footage of pathways around the facility.

And if you have to start replacing those pathways and upgrading the landscaping in those areas, upgrading the facilities, benches, lighting, those types of amenities, that's how that number was driven. It was basically a linear footage multiplied times a cost per foot.

MR. SHEAFE: Let me ask, because I look at the number of the 4.1 million, and, just coincidentally, I have a building that I'm involved in in Seattle.

And right outside the building we have a
thing called Pioneer Square. It's right next to the Gates Foundation. And it had a fountain, and the issue became: How do we correct this fountain?

Oh, it's going to cost millions.

We ended up doing it for about 320,000.

And I looked at 4.1 million and said, "How in the world are you going to spend 4.1 million to just move some water?"

I'm really wondering about the whole 11 million. As I looked through here, I had the same reaction you did. I just said, "How in the world can you spend that kind of money just cleaning" --

CHAIRMAN McCUSKER: Helen might want to speak --

MR. IRVIN: Who else might want to speak is Elaine, because if anybody -- probably the person that spent the most time on this is Elaine.

I actually have a complete sheet of every single note that Elaine has taken since she started on this thing back in the day she was at the City. I actually went through it with her this morning.

So for whatever it's worth, I know you spent an inordinate amount of time on it, and just for whatever it's worth --

MS. BECHERER: A complete set --
MR. IRVIN: One time Elaine and I had gone over to spend some time with the University of Arizona, with the architecture students over there, and I was just amazed at what we got out of them.

And as an example, I know some of the people with the City, Greg, with the risk management group, they were concerned about this, that, and the other.

And, just amazing, we had this Millennial student that said, "Why don't you just make them a little shallower?"

And it's just interesting, some of the concepts of coming out and -- you know, I think we should take care of this thing some shape, form, or fashion.

I don't think that's a good number, personally. But, you know, any other place where you've got Garrett Eckbo doing a landscape feature, it's cherished in that community.

And this is no different. This is the gateway into the Convention Center and Leo Rich and the Music Hall, and --

CHAIRMAN McCUSKER: Haven't found --

MR. IRVIN: -- everything was getting ready to --
MR. SHEAFE: Actually, it was. There was Chief Seattle right in the middle of it, but I don't want to draw --

CHAIRMAN McCUSKER: You --

MR. SHEAFE: Elaine, could you elaborate, then? Because you heard me spout off so --

MS. BECHERER: So when we say the central fountain or the walkway, I think what we need to add to the vocabulary is it's not just the fountain.

It is the hardscape and the landscape and the lighting. The Eckbo landscape is broken up into, we could say, three, if not four, if we include Sante de Rosa Park, regions or sections.

And the way that estimate was broken down, Mr. Sheafe, is it's focused on the three different sections, but it's including everything.

Every bit of infrastructure, from lighting to plumbing to the fountains, has to be redone. It has failed beyond belief, and that's why they were shut down.

So when you look at that $4.1 million number, what you have in front of you is actually the original drawings from the early '70s with -- from Garrett Eckbo and my redlines of actually counting the number of trees, the Silva Cells that are needed, the
number of lights, the plumbing.

What we did with that for the 2015 Pima County bond is we then took that, and we did an independent cost estimate with Compu-Solve, also working with a fountain designer, Ed Swayne, and we put together a truly comprehensive cost estimate, rough order of magnitude.

And that's where we get those three numbers. That is a rehabilitation of the entire Eckbo landscape: Hardscape, trees, lighting, vegetation, and water features.

MR. MARQUEZ: What does the historical registration mean? In other buildings that we've dealt with, if you do something that's not historical to the building, it's generally losing its historical registration.

MS. ERICKSON: Helen Erickson, National Register Foundation.

And the point about the National Register listing is that it impacts us as a city, because we are a city with a direct connection to the state's historical preservation. So we are responsible, then, for respecting that property.

It doesn't mean we can't make changes in it, but these changes have to be sent to the Tucson
Pima County Historical Commission for review.

And whatever we would do with this landscape, we are responsible to do this according to the guidelines of the National Register.

MR. MARQUEZ: Is the fountain --

MS. BECHERER: We looked at the depth, and the depth is one of the things that if you keep the integrity of the fountains, the boulders, but you decrease the depth, yes, that is something that can be done.

MR. MARQUEZ: If you look at the fountain right in front of the Music Hall, there's stairs down into it. Is --

MS. BECHERER: That's right. It --

MR. MARQUEZ: -- it swimmable?

CHAIRMAN McCUSKER: Used to --

MR. MARQUEZ: I have to have a fence --

THE COURT REPORTER: One at a time. One at a time.

MR. MARQUEZ: Okay. So I have to have a fence around my pool, but there's no fence around a fountain that's like six feet deep in front of a music hall.

My concern as an insurance agent is elderly folks going to -- walking to see the symphony, and if
we're not properly lit, they've got a swimming pool
they might fall into.

MS. BECHERER: But all of that would be
addressed in the rehabilitation. And that's really the
term that we use, rehabilitation. You decrease the
depth, you put adequate lighting, and you mitigate all
of those risks while working with, you know, the City
risk management department.

MR. IRVIN: So, Edmund, the City actually,
in their attempts to keep people out of the fountain,
put up all kinds of -- I call them farmer tractor
benches. Right? What would you call them?

So they put them out there just to kind of
keep people from getting into it. So they kind of
bastardized the fountains by trying to keep people out
of them.

So we need to figure out what to do with
them. They're not going anywhere. They're on the
Historic Register. And I have a lot of stock into what
Elaine says relative to numbers.

So if Elaine has looked at the numbers, I'm
thinking that's probably not too far off --

MR. SHEAFE: Could we --

CHAIRMAN McCUSKER: You --

MR. IRVIN: I did?
CHAIRMAN McCUSKER: Yes.

MR. IRVIN: Bastardize is a swear word?

CHAIRMAN McCUSKER: Now you said it twice.

MR. IRVIN: Okay.

MR. SHEAFE: Could we cost engineer this a little bit, possibly?

Now, you know, I sit on the bond committee. When we put the bonds together, a lot of people put sort of their total wish list together and came and piled it in.

We were looking -- and that's one of the reasons it failed is the thing got over $800 million.

Again, I'm sort of thinking, hey, if we want to clean up that -- and, yes, we have a failed area, but it isn't that bad, it just -- it needs lighting. Obviously, the fountain needs to be corrected.

And why not -- but I'm just wondering, could we go back and now say, okay, we need to fit this into a fairly tight limited amount of capacity. How can we cost engineer this thing down so that we get the numbers to where this doesn't crowd out a whole bunch of other priorities where we can't do it at all because we just don't have the capacity?

MS. BECHERER: I think with the right team
from the advocates to end users, you know, it's the TSO's front door. It's the Roadrunners' front door. There's historical expertise at the table. There's some of us that have been working on the landscape for years now. The City just filled in the amphitheater right outside of the ticket office.

And, you know, pregame tailgate parties, we have some great photographs of people sitting on the grass using the amphitheater as it was designed to be used in the early '70s. It was amazing.

So, yes, Mr. Sheafe, should we go through that exercise? Definitely. With the right team and the right group sitting down to look at it.

MR. SHEAFE: Let me ask you a question. How do you put that team together? Is there a lack of facilities or capacity for you to be able to really cost engineer this?

CHAIRMAN McCUSKER: Here's a little --

MR. SHEAFE: We need help.

MS. BECHERER: There would be a fee to do the cost estimate, but the team -- you know, 75 percent of the team you have at this meeting right now.

CHAIRMAN McCUSKER: Here's a little tidbit maybe you don't know. Garrett Eckbo's partner, when
this was built, was 24 years old. He's now my age, 69 years old, still actively practicing in the same office in San Francisco that Garrett Eckbo resided in. He would love to come and help us --

MR. SHEAFE: Where I'm leading --

CHAIRMAN McCUSKER: I think there are people and expertise -- we have never really done a hard bid. You've got a lot of people with numbers. But none of this is really a bid. All of this is --

MS. BECHERER: I have an independent cost estimate from Compu-Solve from years ago.

CHAIRMAN McCUSKER: So I think what we've got to do, no different than we just did with the sheet of ice, we've got to get a rough idea and authorize, and then we're going to authorize an RFP.

And then the real people are going to come in and tell us what they can do the work for. It's no different than building a house. I think we have to kind of create the context.

Just an idea of -- so just in what we've gone through, if you take out the HVAC and take out the Leo Rich and you left everything else alone, you took out the landscape, that's $28 million.

So everything we've talked about today, if we did it, is only $28 million.
The parking garage on the east side is?

MR. IRVIN: Five.

CHAIRMAN McCUSKER: Five-ish. You know, 35 million, you know, say we fooled around somehow and now we spent 40.

Just an idea of what that means, at current interest rates at 4.6 percent, if we borrowed $40 million and turned it out over the remaining Rio Nuevo life, our cost per month, PMI, is $400,000, $400,000 a month to finance --

MR. SHEAFE: Did you amortize that on 15 years?

CHAIRMAN McCUSKER: 15 years.

So when you look at financing, the big numbers dramatically change. Whether it's 40 or 42 or 45 or 38, you know, it's going to be in the 400-, $500,000 a month to finance.

We currently take in between a million two and a million five. You know, about 800 of that goes to debt service. But all that debt service goes away in 2025.

This is eminently financeable. And if we did nothing else, I would argue this may be the most important thing that we've ever -- we've never -- someone said in this room, we've never been able to
have this conversation.

There was no earthly way that we were going
to come up with $40 million, you know, going out of
business in 2025. Now we can have --

MR. SHEAFE: We came up with $80 million to
balance the City's budget.

CHAIRMAN McCUSKER: So, you know, I think
if we -- if you look at that kind of scope, you know,
40 million-ish, you know, it's very affordable.

And then, yeah, Chris, everything gets
value engineered. These are estimates provided to us
by --

MR. SHEAFE: Well, I --

CHAIRMAN McCUSKER: -- some learned people.

And then at some point we go bid it out.

We do what you just did on the ice. Let's run an RFP
on the Music Hall. Let's run an RFP on the Convention
Center. Let's run an RFP on the fountains.

And we'll see what the hard bids --

MR. SHEAFE: Let me ask you --

CHAIRMAN McCUSKER: And we would run an
RFP, right, Mark, to finance it? So --

MR. SHEAFE: We've got to find out --

CHAIRMAN McCUSKER: -- we --

MR. COLLINS: Yeah, you're --
CHAIRMAN McCUSKER: -- $40 million package, who wants to finance it.

MR. COLLINS: Yeah. They -- the language of 48-4204 does say you have the authority to finance, certainly, your primary component, and I would argue secondary components as well.

MR. IRVIN: I'd also say, Fletcher, that we probably have to structure something, and at 400,000 we wouldn't have any problem doing it interest only for -- to 2025 and then do something that balloons out and kicks in from 2025 to 2035, when we have no demands on that debt.

And you know what? I mean, I know we've talked about this in the past. As much as I struggle with a lot of these issues, I think if we don't do this -- I mean, we've just green lighted, you know, roughly 700 hotel rooms.

With this activity that's going to happen and with the Flynn (phonetic) going on and everything else, I got to believe this helps us with our continued discussions with HSL and their hotel.

And to me, I'd love to see us, and I know you feel the same way, and others do, I hope, as well.

If we globally figure this thing out,
figure out what that number -- I'm not even sure that $50 million bugs me, given kind of where those numbers are and our ability to kind of service that debt over time, especially if we get some help.

You know, some people can look at the Roadrunners, say, "Hey, man, I love the fact that this one rink is ice and it benefits, and we'd like to partner with you on it," and the City says, "Hey, we'll take care of deferred maintenance," and the University says, "Hey, we love this rink," whatever, I think we're going to need a number of people to help us.

And I think we ought to go big or go home. And I'd love to try to look at this thing and scope it out. And then I really would like to -- what we spend our money on, to really improve the fan experience.

And, to me, Eckbo Fountain is a huge part of that. It would be a shame to walk in to the Tucson Convention Center with all the stuff that's getting ready to happen and around it and not address that.

So I completely concur. So I'm trying to think of what -- what I'd like to see us do is to take this list and start to dissect it a little bit and say, okay, what really is deferred maintenance, what's not deferred maintenance.

You know, maybe we need, you know, another
meeting like this to go through that, or maybe we need to sit down with the City and have some discussions on deferred maintenance. And I'm all for figuring out how to move forward, like, now.

MS. COX: I have a question. We talked sometime recently about the City saying that they were pretty amenable to this and that they would come forward with some of this money.

CHAIRMAN McCUSKER: They've already committed to that, and --

MS. COX: So that certainly --

CHAIRMAN McCUSKER: -- he would otherwise be here today, except he had a conflict.

I think the partnership with the City is good, and I think there's a conversation we can have with them about how and when you pay for this.

So I'm not worried about financing, and I'm not too worried about prioritizing. I don't think there's anything on the list that --

MR. IRVIN: Or we wouldn't want to --

CHAIRMAN McCUSKER: Or we wouldn't want to do. I think there's some things that are on this list -- that are not on this list that we want to do.

But, you know, I don't see anything in here that we can live without that or live without that,
live without that or the other.

So I think the first conversation you have is are we naive to think somebody will finance this. And the only way we're going to find out is to ask people to propose a term sheet. And you do that competitively.

You authorize Rio Nuevo to solicit a $50 million financing package and give us your best terms.

And now you know you've got a finite number that's financeable, and you're not going to really know how you want to spend this until you get an architect and contractors now looking at really hard-bid numbers.

MR. IRVIN: And that might be a soft number, because, you know, one of the things that I think we need to, you know, have on that list probably -- you know, we talked about the -- we're going to have to do a parking garage in order to prompt the Caliber hotel --

CHAIRMAN McCUSKER: Or walk away from it.

MR. IRVIN: Or walk away from it, which we lose a 170-room hotel. That's, to me, like, not even heavy discussion. I think we've just got to figure out a way to do that.
But, conversely, we've got an investment in hockey. And, you know, I think we need to sit down with our friends at the Roadrunners and the Coyotes and figure that piece out.

But I do think we need to scale in here some sort of sheet of ice. I'm still struggling with how much seating we need to have in there, so it would be good to get an answer for that.

But that's the only piece that I think I'm a little bit concerned with. Do we have enough money to --

CHAIRMAN McCUSKER: You wouldn't have enough money in a $40 million or even a $50 million proposal unless you didn't address the parking.

Helen, did you want to --

MS. ERICKSON: Yes. I just wanted to bring up the fact that heritage tourism is one of the most lucrative ways to bring people to the city.

So some people may not be familiar with Garrett Eckbo's reputation, but this is an international guy. This is a really important person. And more people are going to come just to see the place. So I think that should be figured into this discussion.

MR. IRVIN: Fletcher, does it make any
sense to, you know, authorize or reach out? Is that one of those services that we don't need to procure?

And that's an interesting guy. I'm talking about Garrett Eckbo's former partner.

You know, I'd love to spend some bucks to have him come into town and give us his thoughts on all this stuff before we -- I mean, I think we're going to get deep in the weeds, but I'd really like to have his input --

CHAIRMAN McCUSKER: I think there's some logical steps if you think about our responsibilities if we agree we want to do everything on the list.

A, is it affordable? You saw my back-of-the-napkin proposal. But I would like to see real financial institutions, proposals, lateral terms, risk that we have to address and eventually discuss with the legislature.

So I think you move forward with some sort of request for information, request for proposal on the financing, and give them a range, you know, 50- to $60 million.

Can we finance that? Here's our income.

Here's our projections. What is that number?

Two, hire architects, because we can't bid anything out. We can't really scope unless we get some
professional assistance as to this.

And right now we have a whole bunch of volunteers that are doing this. But we could hire a single architect for everything, or you could have a couple different architects.

And, clearly, Garrett Eckbo's firm is interested in completing this work. And how extraordinary would that be, that his junior partner, who was 24 at the time, wants to come in and help us finish?

So -- and then if we agree, now you've got an architect estimate, a professional estimate, and then you go to hard bid.

During that interim, we chat with the City, you know, about what kind of help can we get, and what's the timing of all this.

MR. IRVIN: I'd like to make a motion that we authorize the release of an RFP to seek financing options for up to 70 million bucks.

MS. COX: Second.

CHAIRMAN McCUSKER: Okey-dokey.

MR. IRVIN: Let's go figure out what it's going to cost. Let's go figure it out.

We already looked, and we know that we were going to have 50 million bucks if nothing changed. And
we did some refinancing, pick up some more dough, and we freed up a trust account, pick up a little more dough.

As I like to say, I sit here in the front-row seat with brilliance, but these guys can figure all this stuff out.

I know we'll figure out the financing. It would be a matter of scoping the project and having enough in there to really go do what we do. I love the idea of having Garrett down here.

CHAIRMAN McCUSKER: The only thing I might suggest is you do that as a range, you know, say 50 to 75.

MR. IRVIN: 50 to 75. I'll modify that. Can I get a second on that again?


CHAIRMAN McCUSKER: Okay. No further discussion?

Brandi, call roll.

MS. HAGA-BLACKMAN: Edmund Marquez?

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe?

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin?

MR. IRVIN: Aye.
MS. HAGA-BLACKMAN: Jannie Cox?

MS. COX: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

Okay. By unanimous approval, we're going to see what the market reacts to our desire to spend 50 to $75 million.

What about the professional --

MR. IRVIN: I'd like to make a motion that we reach out to Garrett Eckbo's firm and figure out what steps it's going to cost and bring them into town and spend some time with us walking and talking so --

CHAIRMAN McCUSKER: And let Elaine --

MR. IRVIN: Elaine?

MS. BECHERER: So, actually, the three of us, we've actually already been in the works, and we're planning a trip to go and visit him.

And so we would like to invite someone from the Board to come with us. And we're going to meet with him, and we're going to walk him through all of the due diligence that we've been doing over the past five years on this project.

CHAIRMAN McCUSKER: So I would rather --

MR. IRVIN: Why don't we bring him here?

CHAIRMAN McCUSKER: Rather than --
MS. BECHERER: Or we bring him here.

CHAIRMAN McCUSKER: Rather than --

MS. COX: Yeah, bring him here.

CHAIRMAN McCUSKER: -- someone, I think the thing to do would be to authorize us to hire one or more architects.

And that's not anything we have to procure, right? That allows us to interview and select the appropriate --

MR. COLLINS: It's a professional service, so you could --

MR. SHEAFE: Can you acknowledge --

MS. VAN DRUNEN LITTOY: I just want to enter his name into the record. We're speaking of Ken Kay, K-a-y.

CHAIRMAN McCUSKER: Ken Kay.

MR. IRVIN: So would you envision that -- I mean, I think it's great that you guys are taking the initiative to go up and see him. God bless you for that.

I think it would be great to have him here. I think we'd much rather have him here so that we can have a chance to walk and talk with him and visit with him, because everybody's got a different idea and --
CHAIRMAN McCUSKER: He's offered to come.

I'm sure --

MS. BECHERER: We've just done it because we've continued to be advocates and to just drive and lead the project.

CHAIRMAN McCUSKER: Now --

MS. BECHERER: We're not in the public sector. And so at some point, you know, it may fold into the City. And so we just were still trying to have a voice at the table as being the -- some of the experts who have been working on this project.

CHAIRMAN McCUSKER: Now we have a professional engagement. It's not just a conversation. We're going to hire an architect. So that never became a motion, I would say.

MR. IRVIN: So I'd like to make a motion that we authorize -- do we need executive board? Can it be done with the whole board? What do we do?

MR. COLLINS: You can authorize the executive officers.

MR. IRVIN: So the executive officers turn loose to go interview a couple of architects to figure out who we're going to hire for this project.

CHAIRMAN McCUSKER: For all of these projects.
MR. IRVIN: For all these projects.

MS. COX: Second.

CHAIRMAN McCUSKER: Everybody tracking that?

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez?

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe?

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin?

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jannie Cox?

MS. COX: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

Another unanimous decision.

So we're going to solicit, interview, and retain one or more architects to work on these projects.

It doesn't necessarily mean we're going to do it in --

MR. IRVIN: Right.

CHAIRMAN McCUSKER: -- but we have professional help, and we're going to explore the financing market and something of that range. And
we'll continue to talk to the City about how they could help us.

MR. IRVIN: Greg, I'll tell you something I think would be helpful for all of us. I mean, we kind of went through this list and identified what we thought were the two big items that were the roof and the HVAC that are obviously deferred maintenance.

And I don't want to, you know, nitpick this thing, but there's obviously a whole bunch more in here that I think most people would classify as, quote, deferred maintenance.

I think I would like for you, if you wouldn't mind, to kind of give us two buckets, one that you say, hey, this is stuff that really does, in your mind, improve the fan experience, and here are things that are deferred maintenance.

And on some of those deferred maintenance I think some of those things are going to be somewhat subjective, so maybe there's a third bucket. Maybe there's actually three buckets. But I definitely think there's at least two.

So I think that's something you could help us with that will help us, I think, in our continuing discussions with others about helping us.

CHAIRMAN McCUSKER: One of the challenges
the City has is cash. So maybe the conversation is not
we expect you to pay for --

MR. IRVIN: Help us service the debt.

CHAIRMAN McCUSKER: To help us service the
debt.

MR. MARQUEZ: One of the pieces, doesn't --
Greg, don't you guys have a list, like a timeline of
what you're already planning on repairing in the
upcoming years?

MR. JACKSON: Every year the City funds a
certain dollar about to make improvements. So some of
that could be tied in to some of the deferred
maintenance issues. That's clearly a possibility.
I mean, the more revenue SMG generates,
we're dumping all that right back into the Convention
Center. We're not reducing that. We're subsiding it.

So I think having the conversation is
clearly wide open and --

MR. IRVIN: And I think we would also want
to make sure that whatever we do is that there is the
funds that are set aside by the City to ensure that
we're not back in the situation again with deferred
maintenance.

You know, we're going -- they're actually
going to --
And, Fletcher, at that number, maybe there's enough money in there to go do Leo Rich as well. It would be kind of a shame just to have one piece off on the side that we kind of ignored, if we can afford it.

MR. JACKSON: Well, one piece, I think bringing in a professional management like SMG is a huge step towards somebody that knows how to run a convention center business. It's not something cities traditionally do on a regular basis.

So bringing in a company that knows how to do it I think is a huge step towards not getting back to where we were five years ago.

CHAIRMAN McCUSKER: And, Mr. Collins, refresh our memory on what we committed to on the ice. We're moving ahead on the ice plant, and that's an RFP?

MR. COLLINS: RFP.

CHAIRMAN McCUSKER: So when you --

MR. COLLINS: I will shortly, yes, with these guys.

MR. SHEAFE: Let me just comment that I find myself thinking about as we're going through this, and it comes out in two pieces.

The first one is, when I first came to
Tucson, brand new, somehow I got hooked into the team that went and recruited IBM. That was virtually the first experience I had with getting on airplanes and going back to New York and primarily in Colorado Springs -- or, anyway, Colorado.

And it was notable to me that one of the issues that we used as a recruiting tool that we had a -- it was thought about, talked about, because in that particular class of people, engineers we were bringing in, it was very important to have cultural elements.

The other thing that -- so the concept of supporting all this is important. I'm wanting to value engineer, because I'm a little concerned -- and that takes me to the next point.

I was head of the advisory committee when we got started on the bridge, and we got some very creative people in there.

And the next thing you know, we had this colossal thing that was -- had grown beyond capacity. Nobody could get their arms around it, and there was over $5 million spent just getting drawings done.

And I really hope that when we get into this and we get a very creative person down here, that we get our arms around them and make sure that they
just don't go crazy with, oh, this would be fabulous. And I'm not saying that would happen, but we've got to value engineer this. That's the only way we're going to get all of this done.

CHAIRMAN McCUSKER: You don't want to see it in space?

MR. SHEAFE: Yeah, I do, but -- no, I can't help but at least say that, because, you know, we all got to think about this. This is our money.

And if it were your personal money and you were trying to run a company, you would crunch those numbers and say, "What can we do to create the element we need and at the same time not go crazy with the spending?"

Because, in the end, what we saw with the bridge is it self-defeated itself. We got to the end of the road, everybody looked at it and said, "We can't afford this," and the whole thing collapsed.

MR. MARQUEZ: Is that the Rainbow Bridge?

MR. IRVIN: The Rainbow Bridge.

MS. COX: The Rainbow Bridge.

MS. VAN DRUNEN LITTOY: I would just like to make two comments relative to what you said. And I agree with what you're saying.

One of the benefits that you have had in
the last years on this project is that many of us have volunteered years of personal expertise to getting the preparatory work for things like the conservation plan and building a plan for the upper plaza.

You had lots of volunteer experts who helped you and are pledging to continue to help you to see this come to be. So that's one thing.

Also, the listing on the National Register that Helen was so instrumental in getting for the City virtually ensures that the restoration of Eckbo's work will not become overblown, because there is already a concept.

And what we're going to do is restore that concept using leading-edge technology, like water conservation, Silva Cells, solar lighting, all those kinds of things.

MR. SHEAFE: Well, thank you for your work.

MR. IRVIN: Which also brings the question is whether or not -- you know, I know we've had this discussion in the past, but does any of the current bandwidth with water that's created with chiller systems and what we're getting ready to do with hockey and whatever, is there any excess water that spins off of that that can help fuel this?

And if there is, I know that adds a lot to
what we're trying to do. And I know we've had that
discussion in the past, and I'm just not sure if there
is a capacity that would fall off that and how that
would work.

CHAIRMAN McCUSKER: All right. Thank you,
everyone, for coming out. I'll entertain a motion to
adjourn.

MS. COX: So moved.

CHAIRMAN McCUSKER: Second, please?

MR. IRVIN: Second.

CHAIRMAN McCUSKER: All in favor say aye.

MR. MARQUEZ: Aye.

MR. SHEAFE: Aye.

MR. IRVIN: Aye.

MS. COX: Aye.

CHAIRMAN McCUSKER: We are adjourned.

Thank you very much.

(The proceedings concluded at 12:10 p.m.)
BE IT KNOWN that I, Bonnie Gray, CR #50669, took the foregoing proceedings pursuant to Notice; that I was then and there a Certified Reporter in and for the State of Arizona; and that the transcript is a full, true, and accurate record of the proceedings.

I DO FURTHER CERTIFY the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) and (2) are in compliance; that I am not a relative or attorney of any party, or financially or otherwise interested in the action.

WITNESS MY HAND this 26th day of November 2018.

BONNIE GRAY, RPR
CERTIFIED REPORTER #50669
Kathy Fink & Associates
No. R1003