

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

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

1 APPEARANCES:

2

3 BOARD MEMBERS:

4 Fletcher McCusker, Chairman

5 Chris Sheafe

6 Mark Irvin

7 Jannie Cox

8 Edmund Marquez

9

ALSO PRESENT:

10

Mark Collins, Board Counsel

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Brandi Haga-Blackman, Operations Administrator

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BE IT REMEMBERED that the meeting of the

17

Board of Directors of the Rio Nuevo Multipurpose

18

Facilities District was held at the Tucson Convention

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Center, Apache/Cochise Meeting Rooms, 260 South Church

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Avenue, in the city of Tucson, state of Arizona, before

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BONNIE GRAY, RPR, Certified Reporter No. 50669, on the

22

9th day of November 2018, commencing at the hour of

23

10 o'clock a.m.

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1 P R O C E E D I N G S

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

7 Brandi, lead us in the Pledge.

8 (The Pledge of Allegiance was recited.)

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

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

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

22 You're all welcome to address us and make
23 any comments you might have. We're going to do that
24 first, before we deliberate. There are copies of the
25 capital improvement project list in the back. We'll

1 have it on the screen. But if you want to follow
2 along, grab one.

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

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

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

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

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

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

24 And give us your name and title for the --

25 MR. JACKSON: Greg Jackson, coordinator,

1 City of Tucson, City Manager's office.

2 Thank you, Mr. Chairman.

3 Good morning, Board.

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

6 THE COURT REPORTER: Can I have you speak
7 up?

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

12 CHAIRMAN McCUSKER: Glenn, come on up.

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

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

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

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

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

24 MR. SHEAFE: I wonder, do we have any
25 facility to make that possible?

1 MS. COX: Turn that table at least that way
2 so they --

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

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

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

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

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

15 MR. JACKSON: Yes.

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

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

24 MR. JACKSON: I've got a whole report that
25 I can send you. They --

1 CHAIRMAN McCUSKER: Is it a metal roof
2 or --

3 MR. JACKSON: No, it's not.

4 MR. MARQUEZ: Probably a build-up.

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

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

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

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

17 MR. IRVIN: So deferred maintenance on the
18 roof?

19 MR. JACKSON: Is in pretty good shape.

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

25 MR. JACKSON: That's just the arena roof.

1 So when we originally started putting this
2 CIP together, we were looking at, you know, five-year
3 increments, up to 30 years.

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

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

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

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

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

18 Go ahead.

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

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

24 And so I have put together some options.
25 And basically from the beginning, as we all know, the

1 floor and the chiller has reached the end of its
2 lifespan.

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

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

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

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

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

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

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

25 CHAIRMAN McCUSKER: They're going. Just

1 count on it.

2 MR. GRABSKI: I was afraid to say that in
3 public. But we had some discussions, but other things
4 than that.

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

8 To get into --

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

12 MR. GRABSKI: It plays inside the dashers.
13 So when ice is in, they'll be playing on the ice,
14 obviously with a covering and then their turf. So they
15 require dashers up.

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

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

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

24 To talk about the chiller, as we all know,
25 the current refrigerant in there is becoming outlawed

1 and harder to get.

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

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

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

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

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

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

25 We've been in contact with him and asking

1 him questions. He's been involved with -- or is
2 involved with the ASU project up in Tempe.

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

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

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

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

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

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

23 MR. IRVIN: What were those options?

24 MR. GRABSKI: We haven't come up with any
25 good ones yet.

1 CHAIRMAN McCUSKER: If we move ahead on a
2 second sheet of ice, does the current chiller
3 manufacturing have any utility for a nearby rink, or
4 would that matter?

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

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

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

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

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

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

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

24 MR. MARQUEZ: 2 million 50 thousand.

25 MR. IRVIN: So still a good number?

1 MR. GRABSKI: I think that's still a good
2 number.

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

5 MR. GRABSKI: Yes.

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

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

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

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

23 I'd put it out more like five weeks,
24 because you're dealing with two weeks of holidays.
25 Normally, those are out there for 30, 60 days.

1 One to two weeks to evaluate the RP. And
2 would probably put the awarding the contract at the end
3 of January. That puts us in -- call that February 1.
4 That puts us in to getting the ice plant July or
5 August, which makes it a little tight.

6 MR. IRVIN: '19? Next year?

7 CHAIRMAN McCUSKER: Next year?

8 MR. GRABSKI: This is all talking as if
9 we're doing '19.

10 The other option is single sole source.

11 CHAIRMAN McCUSKER: Mr. Collins, I think we
12 ruled that out, haven't we? So we can't go there.

13 MR. GRABSKI: So then --

14 MR. JACKSON: One point on that, and
15 Mr. Collins can clarify, but through the contract with
16 the City and SMG, we had the ability to allow SMG to
17 contract on our behalf. I don't know if that works
18 with Rio Nuevo, but that's an option in the contract.

19 MR. COLLINS: Sole source is a separate
20 issue, separate from cooperative purchasing. That's
21 what you're talking about. I'd have a problem with
22 sole sourcing what we're talking about.

23 CHAIRMAN McCUSKER: So if he's right, SMG
24 can run the renovations, and it's not our procurement.

25 MR. JACKSON: Through our contract, we have

1 the ability to let SMG contract on our behalf so we
2 don't go through the typical City RFP purchasing
3 process.

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

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

8 CHAIRMAN McCUSKER: And SMG is not bound --

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

10 MR. COLLINS: Yeah, I'm --

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

13 MR. IRVIN: I concur.

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

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

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

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

24 MR. MARQUEZ: What year is that system?

25 MR. IRVIN: Probably 30 years old.

1 MR. ARANCIBIA: It's about 23 to 25 years
2 old.

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

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

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

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

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

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

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

23 So the timing and all of the logistics that
24 Mr. Grabski walked through, we've discussed that with
25 the City and SMG. And, yeah, we understand that

1 urgency and the logistics of working around the
2 existing events.

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

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

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

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

22 MR. IRVIN: We'd be in really trouble if
23 the floor went out. I mean, so if all of a sudden the
24 chiller goes out, Bob, where are you guys going to
25 play?

1 MR. HOFFMAN: Bob Hoffman, H-o-f-f-m-a-n,
2 Tucson Roadrunners.

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

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

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

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

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

23 And is that close enough that a single
24 chiller system in its current location can cover both
25 rinks?

1 MS. BECHERER: When we did the renovations
2 two years ago for hockey, the ice plant, all we did was
3 we put Band-Aids on the equipment.

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

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

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

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

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

24 There is no way -- I know you would be
25 incredibly physically challenged to come up with a

1 solution that you could survive and move on.

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

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

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

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

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

22 But more importantly than that, it's the
23 time for student athletes to arrive on campus, to begin
24 to get their legs under them on the ice, begin to go
25 through a tryout process, because it is a club sport,

1 and it does require tryouts on an annual basis, and to
2 be able to get themselves ready to start a season that,
3 again, for the college program starts in mid to late
4 September.

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

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

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

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

23 I don't know if there's anything that can
24 be done about that. But it would be great to be able
25 to engage in conversation to see if there's

1 something -- again, hearing how old the roof is, it was
2 really incredible.

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

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

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

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

24 MR. HAUFF: It's a huge need, and it's a
25 need that runs beyond our two programs. It's really a

1 need for the entire city in terms of what supports
2 programs like the Coyotes and the Roadrunners and the
3 U of A Wildcat hockey is youth hockey, is having kids
4 from the time that they start playing sports choose
5 hockey over choosing soccer or baseball or any of the
6 other options out there, having parents, you know, come
7 to understand and fall in love with the sport that
8 maybe they don't really understand or only watch a
9 couple times a year on TV.

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

19 But, obviously, there's all the financial
20 things that come with that in terms of how sponsorship
21 gets generated and supported, how, you know,
22 concessions -- how all of those different things come
23 back and support the growth and the sustainability of
24 both programs or any other programs that come into
25 town.

1 CHAIRMAN McCUSKER: We've heard -- we've
2 seen a couple of suggestions about the second sheet.
3 Some of it is just a straight-up public rink, practice
4 rink. Other versions of that have had some seating,
5 maybe 1500 seats.

6 Would that be your preference, to play your
7 regular season games at a smaller venue like that and
8 save the big one, maybe, for ASU, or what are you guys
9 thinking in terms of not only the second sheet but the
10 ability to host fans in that arena?

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

15 And what that size is, I don't know the
16 exact number. I don't know if it's 500 or 1,000 or
17 1500.

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

22 But one of the things that makes our
23 program unique and different is the experience that not
24 only our student athletes get to play in an environment
25 likes the TCC, even if it was in a smaller arena, it's

1 still different than everywhere else they go on the
2 road.

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

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

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

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

24 I just, on an unrelated trip, actually flew
25 up with the team when they went up and played in Denver

1 and flew back with them as well, although under a
2 completely separate reason, had a great chance to visit
3 with him.

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

8 MR. HAUFF: Absolutely.

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

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

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

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

1 get a couple other people to engage.

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

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

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

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

24 So that would take some stress off the
25 building. That would take some stress off -- as we're

1 increasing our other programming to be able to open up
2 Fridays or Saturdays, per se, which are the prime dates
3 you want, also, going and looking at situations where
4 they've been out of the building for three weeks, can I
5 put this program in and still feel good about myself
6 kind of thing.

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

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

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

22 One of the ideas of having another sheet of
23 ice, or whatever, is when gem show is playing, they
24 have some place to practice, and they're not out of the
25 building, out of the city, you know, for three weeks,

1 so --

2 CHAIRMAN McCUSKER: Your program is not an
3 official part of the athletic department, right?

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

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

10 MR. HAUFF: Yes.

11 CHAIRMAN McCUSKER: You pay your own rent?

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

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

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

24 CHAIRMAN McCUSKER: Phil, it's not on this
25 current list, but we've had some conversations about

1 the cost of another rink.

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

6 MR. SWAIM: Phil Swaim, Swaim Associates
7 Architects.

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

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

16 CHAIRMAN McCUSKER: Let's not get too
17 glamorous. Let's kind of just stay basic. A rink,
18 1500 seats, and a parking garage. Let's kind of start
19 there.

20 MR. MARQUEZ: On the roof.

21 MR. IRVIN: Parking on the top.

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

25 MR. SWAIM: Now, you're -- unfortunately,

1 that's not a seven-figure number. It's an eight-figure
2 number. So it's probably in the -- you're probably
3 looking towards 20, 25 million dollars sort of thing or
4 up.

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

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

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

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

22 But a rink itself, plus seating and locker
23 rooms and that sort of thing, by the time you add in
24 concessions and some retail, is in the 50,000 square
25 foot range.

1 So those numbers add up fairly quickly
2 at -- obviously, if we're able to reduce that cost
3 because we're already redoing the ice plant and can
4 make that dual purpose, I think that that can
5 certainly save a couple million dollars off that cost
6 as well.

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

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

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

17 CHAIRMAN McCUSKER: That puts it into
18 context for us.

19 Elaine had something that she wanted
20 to say.

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

23 So what we heard at last month's Rio Nuevo
24 board meeting with 192 junior Roadrunners, 240 adult
25 hockey league players, it's over 600 additional people

1 coming to skate at the facility.

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

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

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

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

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

24 MR. SHEAFE: Let me ask you a question here
25 on the numbers. Phil, if we can replace the current

1 floor, because, really, what it is, is we're putting in
2 a new ice system, so it starts from scratch.

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

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

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

15 CHAIRMAN McCUSKER: Could be a field house.

16 MR. SHEAFE: Yeah, could be a field house.

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

25 So it expanded the conversation quite a

1 bit. But I'm right in what I'm saying. I mean, is
2 anybody objecting to the idea that that second sheet of
3 ice is roughly \$2 million?

4 MR. IRVIN: I concur.

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

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

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

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

20 And what's the difference between
21 40 million and 60 million? If it's financeable, if we
22 have the income stream to support it, I think we need
23 to look seriously at these kind of alternatives.

24 So what you're looking at today is just
25 kind of what we have to do. And then there's another

1 conversation about what we might want to do. And that
2 includes parking, which is a huge problem here.

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

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

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

16 Anything else on the hockey, ice, second
17 sheet?

18 What's the Board's pleasure?

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

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

24 I think what we're trying to do here is
25 identify the components that we need to deal with. One

1 of them is the current condition of the ice hockey, and
2 the second one is the possibility of a sheet.

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

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

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

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

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

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

23 Everybody follow that?

24 MR. MARQUEZ: I have something to add on
25 the arena. I was having a conversation with Kevin Guy.

1 I said, "I'm curious. You've been in Phoenix all these
2 years, got the downtown arena. How does ours compare?"

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

6 MR. GRABSKI: Ribbon boards.

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

10 What are your thoughts on that?

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

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

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

23 MR. GRABSKI: I do not. I do not. Is it a
24 have to have, given priorities? It's -- I'm not there
25 with that.

1 MR. MARQUEZ: We've got a massive list of
2 deferred maintenance. At some point we have to look at
3 the sexy factor for the community to come down and
4 enjoy hockey games or arena football.

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

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

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

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

20 We've looked at pull out the east wall and
21 expand that area. Our hallway and concessions are
22 really tight in the arena. So there's opportunities
23 that if you expanded some of those areas, blow those
24 walls out, you could enhance concessions. You can then
25 have space to put in more suite seating along that

1 side.

2 There's one section on the northeast side
3 where you can put in a deck of seating as well to make
4 kind of like a box down there.

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

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

13 MR. JACKSON: Correct.

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

18 MR. IRVIN: What you're talking about in
19 the deferred maintenance piece, if I just look at the
20 roofs, look at the HVAC, it's getting close to
21 11 million bucks.

22 And I just know when we did the TCC arena,
23 that, you know, we spent our money focussing on the fan
24 experience rather than taking care of deferred
25 maintenance stuff.

1 And so I'm not that excited myself,
2 personally, with addressing deferred maintenance stuff
3 with Rio Nuevo dollars. But anything that enhances the
4 fans' experience, I'm all in. I don't think we should
5 be taking care of deferred maintenance. But that's
6 just me.

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

11 MR. IRVIN: New discussion.

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

15 Elaine?

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

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

25 And so prior -- or before making the

1 decision on X amount of dollars for the arena, I think
2 it's worth going through the exercise of looking at
3 what new assets could complement the existing arena but
4 will bring in new revenue.

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

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

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

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

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

25 I think I share with everybody that we

1 probably -- not probably -- that we do need a second
2 sheet of ice. I think we have questions that are
3 unanswered.

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

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

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

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

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

25 Maybe you say \$2.5 million. That way we,

1 as a Board, have authorized the use of our funds to
2 immediately improve the ice plant, and then the devil
3 is in the details.

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

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

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

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

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

22 Help me out, Counsel, if you would.

23 I think because we have to go through a
24 procurement, you know, we should specify exactly what
25 we want and then see what comes back in. Hopefully,

1 it's south of two million bucks, but we may
2 find something that --

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

5 MR. IRVIN: Yeah.

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

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

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

18 MR. GRABSKI: That would be a help.

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

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

1 safety reasons.

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

7 MR. GRABSKI: Correct.

8 CHAIRMAN McCUSKER: -- and what you
9 discussed?

10 MR. GRABSKI: Correct.

11 CHAIRMAN McCUSKER: And we can authorize
12 that today?

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

18 CHAIRMAN McCUSKER: Make a motion.

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

21 MR. IRVIN: You go for it, Chris.

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

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

1 Then I'll say I move.

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

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

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

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

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

17 MR. MARQUEZ: I'm so confused.

18 MR. SHEAFE: Let's try it again.

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

24 CHAIRMAN McCUSKER: Period.

25 MR. IRVIN: I'll second that.

1 CHAIRMAN McCUSKER: Okay. The motion is to
2 authorize Rio Nuevo to release an RFP designed to
3 prepare the current sheet of ice and chiller system and
4 allow us to at least scope the opportunity to service
5 two sheets of ice.

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

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

9 MS. HAGA-BLACKMAN: Edmund Marquez?

10 MR. MARQUEZ: Aye.

11 MS. HAGA-BLACKMAN: Chris Sheafe?

12 MR. SHEAFE: Aye.

13 MS. HAGA-BLACKMAN: Mark Irvin?

14 MR. IRVIN: Aye.

15 MS. HAGA-BLACKMAN: Jannie Cox?

16 MS. COX: Aye.

17 MS. HAGA-BLACKMAN: Fletcher McCusker?

18 CHAIRMAN McCUSKER: Aye.

19 So that's unanimous. We're going to go fix
20 your ice.

21 Okay. Let's come back in order, then.

22 Glenn and Greg, you might as well stay up
23 there.

24 "Convention Center/Exhibition Halls/Meeting
25 Rooms."

1 There's no doubt that these meeting rooms
2 are obsolete. Now, you've got a, you know, remodel,
3 glass, air, lighting, update sound.

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

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

11 MR. IRVIN: Correct.

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

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

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

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

25 Any economic impact increased in the arena

1 is going to be incremental compared to what we can do
2 in the Convention Center, especially when you put in
3 light of five new hotels downtown. Their lifeblood is
4 going to be very much dependent upon this during
5 convention and association business.

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

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

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

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

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

24 MR. GRABSKI: You know, I look at some --
25 probably some of the smaller things. And if you need

1 to value engineer it, you probably can.

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

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

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

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

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

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

25 So, again, as we talked about, enhancements

1 to the arena, sure, there's other ideas about enhancing
2 the meeting experience, the association business, the
3 convention business.

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

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

13 MR. GRABSKI: I think the lime green
14 stays.

15 MR. MARQUEZ: Not for this dollar amount.

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

22 And Brent can probably address this better
23 than I can. But I want to make my asset the fewest
24 amount of disadvantage as possible. If I have a
25 disadvantage I can't control, I want to overweight it

1 with something else that works.

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

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

12 MR. DeRAAD: Certainly.

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

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

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

1 on to the meeting space.

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

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

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

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

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

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

22 MR. DeRAAD: Correct.

23 Fiber protect throughout the building.

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

25 By the way, we're fully supportive of

1 moving forward in the summer of '19 with redoing that
2 ice plant.

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

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

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

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

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

25 So I'm not saying that we can or --

1 CHAIRMAN McCUSKER: The new Hilton design
2 has some meeting and banquet space in it. Is that
3 still under where you would want us to be?

4 MR. DeRAAD: I think for us, based on the
5 current size of the facility, we would love to have
6 2,000 rooms within walking distance.

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

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

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

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

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

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

23 MR. SHEAFE: I have 10 right here. So this
24 really isn't that critical, then, compared to what you
25 need --

1 CHAIRMAN McCUSKER: The new hotel will have
2 15 to 20 --

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

5 MR. SWAIM: About 5,000 square feet.

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

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

15 MR. GRABSKI: Preferably.

16 CHAIRMAN McCUSKER: I think I'm --

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

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

21 MR. COLLINS: Ours.

22 CHAIRMAN McCUSKER: So is that another
23 10,000 square feet of space? You fix this up. The
24 hotel is going to have five. And we put another 10,
25 and we're 25,000 --

1 MR. DeRAAD: If you could locate another --
2 at least in my opinion, another 10- to 15,000 square
3 feet adjacent to the exhibition halls, I think that
4 gets us in the neighborhood where a specialty -- again,
5 we're not talking about citywide, you know, 5,000
6 people, necessarily.

7 We could probably compete for groups that,
8 I would say, a thousand to 2500-person range, which we
9 currently cannot.

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

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

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

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

24 One of the things that I've noticed in --
25 for example, for years I was a homebuilder, and I

1 attended NHB, and I was involved in selecting the
2 cities that would win that award, one of the most
3 competitive conventions, because it's one of the
4 largest conventions that goes on in the country, kind
5 of like the auto dealers. There's only four or five
6 cities that can hold them.

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

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

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

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

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

24 Yet, I notice on the sound system, it's
25 down around five. And I'm wondering if that's

1 accurate.

2 CHAIRMAN McCUSKER: What do you get for
3 this half a million dollars?

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

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

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

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

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

24 MR. SHEAFE: I'm not trying to lead you.
25 I'm just curious if in the marketing of a convention

1 facility, the ability for people to do breakout
2 sessions or be in the large auditorium and their
3 ability to actually hear what's being done and
4 delineate the language and the words, if that makes a
5 difference or if it comes up. I don't know. I just
6 know my own personal reaction.

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

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

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

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

20 MR. MARQUEZ: Yes.

21 CHAIRMAN McCUSKER: You want to make a
22 speech?

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

25 So I was invited to the symphony. It was a

1 beautiful performance. I loved it. Amazing music. I
2 felt like beyond the music, I had visited a facility
3 that was in 19-, maybe, -82.

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

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

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

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

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

23 MS. BECHERER: Lincoln Center.

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

1 thing bad.

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

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

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

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

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

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

24 But I think what's interesting is that if I
25 have to support this versus doing what we need to do

1 with our primary component, which is the TCC, I
2 struggle with that.

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

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

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

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

18 And I look at just the Music Hall as an
19 example, and I'm not going to get down to nitpicking
20 some of these other items, but if I just look at the
21 roof and the HVAC, you know, we're north of a million
22 bucks there in this budget number that is, you know,
23 issues that are deferred maintenance, notwithstanding
24 some of the other things that I could pick on for
25 deferred maintenance.

1 So I don't want to take away from us
2 supporting these things. I think if we don't figure
3 out a way to do it, it probably won't happen.

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

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

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

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

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

25 I just saw that the bathrooms are outdated.

1 The carpet needed to be done. The seats were old. And
2 I didn't -- even the wood paneling behind the symphony
3 wasn't very sexy. So I just think there's some
4 opportunity there.

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

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

10 CHAIRMAN McCUSKER: The Convention Center,
11 the arena --

12 MR. COLLINS: Yes.

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

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

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

20 MR. COLLINS: Correct.

21 CHAIRMAN McCUSKER: -- and the plaza?

22 MR. COLLINS: Correct.

23 CHAIRMAN McCUSKER: The symphony is here.

24 Patricia, you wanted to say something?

25 MS. SCHABE: Yes. Patricia Schabe. I'm

1 here with a couple other people from the symphony. I'm
2 representing the trustees, too, this morning.

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

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

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

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

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

21 So if we could address some of the deferred
22 maintenance, that would be something that we would love
23 to figure that out. I know that is something that
24 Rio Nuevo and the City has to figure out how that gets
25 done.

1 But the deferred maintenance is really
2 something that needs to be addressed. It's an
3 embarrassment. I didn't want to talk as harsh, but you
4 mentioned it already, and you used those words.

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

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

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

20 I don't know how many people here know that
21 it is the 90th year of the symphony in Tucson. The
22 symphony has been renting that facility nonstop since
23 1970-something.

24 We pay more than a couple hundred thousand
25 dollars a year in fees, plus parking, plus security,

1 plus a lot of other things.

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

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

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

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

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

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

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

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

24 MR. PALMER: I'm not sure exactly how the
25 allocation is one over another. There's no question

1 the maintenance has not been kept up. But beyond that,
2 a lot of things are well beyond their lifespan.

3 It is a continually deteriorating
4 experience year after year, and something really has to
5 be done, or it won't survive.

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

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

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

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

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

23 My big concern is, you know, we're going to
24 spend money with this, and then are we going to fall
25 back into the same situation that we're in now, which

1 is deferred maintenance, and we're going to be back in
2 this discussion again.

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

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

14 MS. SCHABE: We --

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

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

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

25 And if these were any other tenant, they

1 would be pulling the lease or managing the lease
2 differently. We're not having clean bathrooms, and
3 we're not getting handrails are --

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

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

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

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

16 MR. COLLINS: Correct.

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

19 MR. COLLINS: Within your district.

20 CHAIRMAN McCUSKER: Within our district
21 boundaries.

22 -- County owned, State owned.

23 So we certainly have the authority to
24 invest. The question is, you know, in the past, these
25 have been adversarial relationships. And Rio Nuevo

1 didn't necessarily want to help the City or vice
2 versa.

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

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

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

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

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

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

25 Sorry to interrupt you.

1 CHAIRMAN McCUSKER: Karla, on the Music
2 Hall?

3 MS. VAN DRUNEN LITTOOY: Yes. Karla
4 Van Drunen Littooy with TCC Today.

5 Our organization advocates the full
6 restoration. And most frequently I'm speaking to you
7 about the landscape.

8 But I do want to echo what Patricia and
9 John are saying, and what all of the representatives of
10 the symphony may say to you today.

11 I just want to add one point relative to
12 this discussion. I'm a season ticket holder with the
13 symphony and have been so for many years and
14 frequently attend performances at both of our concert
15 halls here.

16 I know that people are now choosing not to
17 come to the Music Hall to hear the TSO, because they
18 have an option up above River Road at the high school,
19 which is a lovely performance facility with
20 higher-grade bathrooms, a better sound system, a better
21 patron experience.

22 So by not improving this facility, more
23 patrons have a high likelihood of making a choice to
24 attend more concerts up at that facility and not come
25 downtown.

1 CHAIRMAN McCUSKER: Or Centennial Hall.

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

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

6 MR. MARQUEZ: It has a bad sound system.

7 MS. COX: It's not good.

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

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

19 CHAIRMAN McCUSKER: Thank you, Karla.

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

23 CHAIRMAN McCUSKER: We're going to come to
24 that in a minute. So hang on. Let me do the Leo Rich
25 Theater, two and a half million dollars.

1 Glenn, who cares? What if we just ignored
2 the whole darn thing? I mean, it seems really
3 underutilized, and it's inappropriate for a lot of
4 uses.

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

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

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

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

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

21 CHAIRMAN McCUSKER: Anybody here want to
22 defend Leo Rich?

23 MR. IRVIN: You can save about a million
24 bucks of the two seven million dollars plus. The two
25 seven is deferred maintenance with just picking that

1 two pieces, roofing and HVAC.

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

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

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

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

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

24 Okay, Jannie, your favorite topic, Eckbo
25 Plaza. I must say, I was surprised that the plaza and

1 exteriors is an \$11 million item.

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

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

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

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

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

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

25 And right outside the building we have a

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

4 Oh, it's going to cost millions.

5 We ended up doing it for about 320,000.

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

9 I'm really wondering about the whole
10 11 million. As I looked through here, I had the same
11 reaction you did. I just said, "How in the world can
12 you spend that kind of money just cleaning" --

13 CHAIRMAN McCUSKER: Helen might want to
14 speak --

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

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

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

25 MS. BECHERER: A complete set --

1 MR. IRVIN: One time Elaine and I had gone
2 over to spend some time with the University of Arizona,
3 with the architecture students over there, and I was
4 just amazed at what we got out of them.

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

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

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

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

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

23 CHAIRMAN McCUSKER: Haven't found --

24 MR. IRVIN: -- everything was getting ready
25 to --

1 MR. SHEAFE: Actually, it was. There was
2 Chief Seattle right in the middle of it, but I don't
3 want to draw --

4 CHAIRMAN McCUSKER: You --

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

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

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

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

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

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

1 number of lights, the plumbing.

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

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

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

17 MS. ERICKSON: Helen Erickson, National
18 Register Foundation.

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

24 It doesn't mean we can't make changes in
25 it, but these changes have to be sent to the Tucson

1 Pima County Historical Commission for review.

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

5 MR. MARQUEZ: Is the fountain --

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

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

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

15 MR. MARQUEZ: -- it swimmable?

16 CHAIRMAN McCUSKER: Used to --

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

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

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

24 My concern as an insurance agent is elderly
25 folks going to -- walking to see the symphony, and if

1 we're not properly lit, they've got a swimming pool
2 they might fall into.

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

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

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

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

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

23 MR. SHEAFE: Could we --

24 CHAIRMAN McCUSKER: You --

25 MR. IRVIN: I did?

1 CHAIRMAN McCUSKER: Yes.

2 MR. IRVIN: Bastardize is a swear word?

3 CHAIRMAN McCUSKER: Now you said it twice.

4 MR. IRVIN: Okay.

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

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

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

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

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

25 MS. BECHERER: I think with the right team

1 from the advocates to end users, you know, it's the
2 TSO's front door. It's the Roadrunners' front door.
3 There's historical expertise at the table.

4 There's some of us that have been working
5 on the landscape for years now. The City just filled
6 in the amphitheater right outside of the ticket
7 office.

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

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

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

19 CHAIRMAN McCUSKER: Here's a little --

20 MR. SHEAFE: We need help.

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

24 CHAIRMAN McCUSKER: Here's a little tidbit
25 maybe you don't know. Garrett Eckbo's partner, when

1 this was built, was 24 years old. He's now my age,
2 69 years old, still actively practicing in the same
3 office in San Francisco that Garrett Eckbo resided in.
4 He would love to come and help us --

5 MR. SHEAFE: Where I'm leading --

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

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

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

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

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

24 So everything we've talked about today, if
25 we did it, is only \$28 million.

1 The parking garage on the east side is?

2 MR. IRVIN: Five.

3 CHAIRMAN McCUSKER: Five-ish. You know,
4 35 million, you know, say we fooled around somehow and
5 now we spent 40.

6 Just an idea of what that means, at current
7 interest rates at 4.6 percent, if we borrowed
8 \$40 million and turned it out over the remaining
9 Rio Nuevo life, our cost per month, PMI, is \$400,000,
10 \$400,000 a month to finance --

11 MR. SHEAFE: Did you amortize that on
12 15 years?

13 CHAIRMAN McCUSKER: 15 years.

14 So when you look at financing, the big
15 numbers dramatically change. Whether it's 40 or 42 or
16 45 or 38, you know, it's going to be in the 400-,
17 \$500,000 a month to finance.

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

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

1 have this conversation.

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

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

7 CHAIRMAN McCUSKER: So, you know, I think
8 if we -- if you look at that kind of scope, you know,
9 40 million-ish, you know, it's very affordable.

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

13 MR. SHEAFE: Well, I --

14 CHAIRMAN McCUSKER: -- some learned people.
15 And then at some point we go bid it out.

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

19 And we'll see what the hard bids --

20 MR. SHEAFE: Let me ask you --

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

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

24 CHAIRMAN McCUSKER: -- we --

25 MR. COLLINS: Yeah, you're --

1 CHAIRMAN McCUSKER: -- \$40 million package,
2 who wants to finance it.

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

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

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

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

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

25 If we globally figure this thing out,

1 figure out what that number -- I'm not even sure that
2 \$50 million bugs me, given kind of where those numbers
3 are and our ability to kind of service that debt over
4 time, especially if we get some help.

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

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

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

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

25 You know, maybe we need, you know, another

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

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

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

11 MS. COX: So that certainly --

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

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

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

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

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

24 But, you know, I don't see anything in here
25 that we can live without that or live without that,

1 live without that or the other.

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

7 You authorize Rio Nuevo to solicit a
8 \$50 million financing package and give us your best
9 terms.

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

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

21 CHAIRMAN McCUSKER: Or walk away from it.

22 MR. IRVIN: Or walk away from it, which we
23 lose a 170-room hotel. That's, to me, like, not even
24 heavy discussion. I think we've just got to figure out
25 a way to do that.

1 But, conversely, we've got an investment in
2 hockey. And, you know, I think we need to sit down
3 with our friends at the Roadrunners and the Coyotes and
4 figure that piece out.

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

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

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

15 Helen, did you want to --

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

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

25 MR. IRVIN: Fletcher, does it make any

1 sense to, you know, authorize or reach out? Is that
2 one of those services that we don't need to procure?
3 And that's an interesting guy. I'm talking about
4 Garrett Eckbo's former partner.

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

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

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

18 So I think you move forward with some sort
19 of request for information, request for proposal on the
20 financing, and give them a range, you know, 50- to
21 \$60 million.

22 Can we finance that? Here's our income.
23 Here's our projections. What is that number?

24 Two, hire architects, because we can't bid
25 anything out. We can't really scope unless we get some

1 professional assistance as to this.

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

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

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

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

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

20 MS. COX: Second.

21 CHAIRMAN McCUSKER: Okey-dokey.

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

24 We already looked, and we know that we were
25 going to have 50 million bucks if nothing changed. And

1 we did some refinancing, pick up some more dough, and
2 we freed up a trust account, pick up a little more
3 dough.

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

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

11 CHAIRMAN McCUSKER: The only thing I might
12 suggest is you do that as a range, you know, say 50 to
13 75.

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

16 MS. COX: You bet. Second.

17 CHAIRMAN McCUSKER: Okay. No further
18 discussion?

19 Brandi, call roll.

20 MS. HAGA-BLACKMAN: Edmund Marquez?

21 MR. MARQUEZ: Aye.

22 MS. HAGA-BLACKMAN: Chris Sheafe?

23 MR. SHEAFE: Aye.

24 MS. HAGA-BLACKMAN: Mark Irvin?

25 MR. IRVIN: Aye.

1 MS. HAGA-BLACKMAN: Jannie Cox?

2 MS. COX: Aye.

3 MS. HAGA-BLACKMAN: Fletcher McCusker?

4 CHAIRMAN McCUSKER: Aye.

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

8 What about the professional --

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

13 CHAIRMAN McCUSKER: And let Elaine --

14 MR. IRVIN: Elaine?

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

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

23 CHAIRMAN McCUSKER: So I would rather --

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

25 CHAIRMAN McCUSKER: Rather than --

1 MS. BECHERER: Or we bring him here.

2 CHAIRMAN McCUSKER: Rather than --

3 MS. COX: Yeah, bring him here.

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

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

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

12 MR. SHEAFE: Can you acknowledge --

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

16 CHAIRMAN McCUSKER: Ken Kay.

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

21 I think it would be great to have him
22 here. I think we'd much rather have him here so that
23 we can have a chance to walk and talk with him and
24 visit with him, because everybody's got a different
25 idea and --

1 CHAIRMAN McCUSKER: He's offered to come.
2 I'm sure --

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

6 CHAIRMAN McCUSKER: Now --

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

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

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

19 MR. COLLINS: You can authorize the
20 executive officers.

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

24 CHAIRMAN McCUSKER: For all of these
25 projects.

1 MR. IRVIN: For all these projects.

2 MS. COX: Second.

3 CHAIRMAN McCUSKER: Everybody tracking
4 that?

5 Brandi, call the roll.

6 MS. HAGA-BLACKMAN: Edmund Marquez?

7 MR. MARQUEZ: Aye.

8 MS. HAGA-BLACKMAN: Chris Sheafe?

9 MR. SHEAFE: Aye.

10 MS. HAGA-BLACKMAN: Mark Irvin?

11 MR. IRVIN: Aye.

12 MS. HAGA-BLACKMAN: Jannie Cox?

13 MS. COX: Aye.

14 MS. HAGA-BLACKMAN: Fletcher McCusker?

15 CHAIRMAN McCUSKER: Aye.

16 Another unanimous decision.

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

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

22 MR. IRVIN: Right.

23 CHAIRMAN McCUSKER: -- but we have
24 professional help, and we're going to explore the
25 financing market and something of that range. And

1 we'll continue to talk to the City about how they could
2 help us.

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

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

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

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

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

25 CHAIRMAN McCUSKER: One of the challenges

1 the City has is cash. So maybe the conversation is not
2 we expect you to pay for --

3 MR. IRVIN: Help us service the debt.

4 CHAIRMAN McCUSKER: To help us service the
5 debt.

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

10 MR. JACKSON: Every year the City funds a
11 certain dollar amount to make improvements. So some of
12 that could be tied in to some of the deferred
13 maintenance issues. That's clearly a possibility.

14 I mean, the more revenue SMG generates,
15 we're dumping all that right back into the Convention
16 Center. We're not reducing that. We're subsidizing it.

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

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

24 You know, we're going -- they're actually
25 going to --

1 And, Fletcher, at that number, maybe
2 there's enough money in there to go do Leo Rich as
3 well. It would be kind of a shame just to have
4 one piece off on the side that we kind of ignored, if
5 we can afford it.

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

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

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

18 MR. COLLINS: RFP.

19 CHAIRMAN McCUSKER: So when you --

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

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

25 The first one is, when I first came to

1 Tucson, brand new, somehow I got hooked into the team
2 that went and recruited IBM. That was virtually the
3 first experience I had with getting on airplanes and
4 going back to New York and primarily in Colorado
5 Springs -- or, anyway, Colorado.

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

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

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

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

23 And I really hope that when we get into
24 this and we get a very creative person down here, that
25 we get our arms around them and make sure that they

1 just don't go crazy with, oh, this would be fabulous.

2 And I'm not saying that would happen, but
3 we've got to value engineer this. That's the only way
4 we're going to get all of this done.

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

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

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

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

19 MR. MARQUEZ: Is that the Rainbow Bridge?

20 MR. IRVIN: The Rainbow Bridge.

21 MS. COX: The Rainbow Bridge.

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

25 One of the benefits that you have had in

1 the last years on this project is that many of us have
2 volunteered years of personal expertise to getting the
3 preparatory work for things like the conservation plan
4 and building a plan for the upper plaza.

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

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

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

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

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

25 And if there is, I know that adds a lot to

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

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

8 MS. COX: So moved.

9 CHAIRMAN McCUSKER: Second, please?

10 MR. IRVIN: Second.

11 CHAIRMAN McCUSKER: All in favor say aye.

12 MR. MARQUEZ: Aye.

13 MR. SHEAFE: Aye.

14 MR. IRVIN: Aye.

15 MS. COX: Aye.

16 CHAIRMAN McCUSKER: We are adjourned.

17 Thank you very much.

18 (The proceedings concluded at 12:10 p.m.)

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