

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

MEETING OF THE BOARD OF DIRECTORS

December 11, 2018

1:00 p.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 Jeffrey Hill

10

ALSO PRESENT:

11

Mark Collins, Board Counsel

12

Brandi Haga-Blackman, Operations Administrator

13

14

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BE IT REMEMBERED that the meeting of the

18

Board of Directors of the Rio Nuevo Multipurpose

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Facilities District was held at the Arizona State

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Building, 400 West Congress, in the city of Tucson,

21

state of Arizona, before BONNIE GRAY, RPR, Certified

22

Reporter No. 50669, on the 11th day of December 2018,

23

commencing at the hour of 1 o'clock p.m.

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

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3 CHAIRMAN McCUSKER: I will call the meeting
4 to order.

5 And, Mr. Marquez, you can lead the
6 Pledge.

7 (The Pledge of Allegiance was recited.)

8 CHAIRMAN McCUSKER: Brandi, you call
9 roll.

10 MS. HAGA-BLACKMAN: Edmund Marquez?

11 MR. MARQUEZ: Here.

12 MS. HAGA-BLACKMAN: Jannie Cox?

13 MS. COX: Here.

14 MS. HAGA-BLACKMAN: Chris Sheafe?

15 MR. SHEAFE: Here.

16 MS. HAGA-BLACKMAN: Fletcher McCusker?

17 CHAIRMAN McCUSKER: Here.

18 MS. HAGA-BLACKMAN: Jeff Hill?

19 MR. HILL: Here.

20 CHAIRMAN McCUSKER: And Mr. Irvin is on his
21 way, we understand.

22 We have a quorum. We'll go ahead and start
23 the meeting.

24 For the people in the audience, be mindful
25 that we typically go straight into executive session.

1 So with today's agenda, it will probably be 45 minutes
2 or an hour before we come back. So smoke them if you
3 got them.

4 You have the minutes transcribed from the
5 November 13th meeting. Unless someone has a change or
6 correction, we need a motion to approve it.

7 MS. COX: So moved.

8 MR. MARQUEZ: Second.

9 CHAIRMAN McCUSKER: All in favor say aye.

10 MR. MARQUEZ: Aye.

11 MR. SHEAFE: Aye.

12 MR. IRVIN: Aye.

13 MS. COX: Aye.

14 MR. HILL: Aye.

15 CHAIRMAN McCUSKER: And I need a motion to
16 recess to executive session.

17 MS. COX: So move.

18 MR. MARQUEZ: Second.

19 CHAIRMAN McCUSKER: All in favor say aye.

20 MR. MARQUEZ: Aye.

21 MR. SHEAFE: Aye.

22 MR. IRVIN: Aye.

23 MS. COX: Aye.

24 MR. HILL: Aye.

25 CHAIRMAN McCUSKER: Okay. We'll see you as

1 soon as we can.

2 (The Board met in executive session from
3 1:01 p.m. to 2:07 p.m.)

4 (Mr. Irvin present.)

5 CHAIRMAN McCUSKER: I can entertain a
6 motion to reconvene.

7 MR. IRVIN: So moved.

8 CHAIRMAN McCUSKER: Second, please?

9 MS. COX: Second.

10 CHAIRMAN McCUSKER: All in favor say aye.

11 MR. MARQUEZ: Aye.

12 MR. SHEAFE: Aye.

13 MR. IRVIN: Aye.

14 MS. COX: Aye.

15 MR. HILL: Aye.

16 CHAIRMAN McCUSKER: We're back in regular
17 session. Thank you for your patience. You're learning
18 it takes us about an hour to go through executive
19 session. We tend to do that first and try and get back
20 out here as quickly as we can. Mr. Marquez is on his
21 way.

22 I will -- in order to accelerate the
23 process, there's not a lot I want to say. I do want to
24 encourage you to drive west on Cushing and look at the
25 copper facades that are going up on the Caterpillar

1 building. It's really quite spectacular.

2 So I think we're scheduled to turn the keys
3 over to them this month. And I think they've indicated
4 to the County that they intend to take occupancy by
5 March.

6 Dan, do you want to give us your financial
7 record?

8 MR. MEYERS: Yes.

9 Dan Meyers, the CFO for Rio Nuevo.

10 Kind of a quiet month from our perspective
11 for outflows for taking place in November. We've got
12 about \$4.7 million in available cash, unrestricted
13 funds.

14 We've got solid commitments for about 3.7
15 within the next year, leaving about a million dollar
16 excess at this time.

17 Notoriously, August, September are our
18 worst months for collecting funds from our share of the
19 transaction privilege tax that's taking place.

20 We had 940,000 in August, I think, when --
21 900,000, probably, at the most for September, from
22 what I've heard. We expect that to pop up once October
23 gets here and the holidays and the tourism time comes
24 in.

25 Again, like I said, we have very few

1 outflows of cash for our commitments in October.

2 However, in November we paid out 75 percent of our

3 \$400,000 for arena football, which included the turf,

4 dasher boards, and quite a bit of equipment.

5 So any questions?

6 Okay.

7 CHAIRMAN McCUSKER: Dan, thank you very

8 much.

9 Okay. Item Number 7 I'm going to table.

10 Just a quick note on what we're thinking. Presidio, of

11 course, is that kind of northwestern section of

12 downtown and the Rio Nuevo District.

13 You may remember, we've authorized a

14 little under a half a million dollars to renovate the

15 duplex adjacent to the Presidio museum that's

16 Rio Nuevo owned. That will hopefully bear some retail

17 fruit.

18 We see a lot of opportunities to enhance

19 the Presidio District with the way things are

20 developing, the IDA lot, the so-called platform lot.

21 But we're going to table this and continue

22 to meet with the stakeholders in and around that

23 section of downtown.

24 Caliber Hotel, I think, Mr. Collins,

25 suffice it to say that conversation in the exec was to

1 basically encourage you to continue to negotiate some
2 of the finer points with Caliber and then bring that
3 back to us.

4 MR. COLLINS: Mr. Chairman, members of the
5 Board, that's true. I think we ought to have a motion
6 in the public session to do that.

7 MR. SHEAFE: I move that we authorize
8 counsel to continue negotiations with the Caliber group
9 towards putting together a final agreement on the
10 hotel.

11 MR. IRVIN: Second.

12 MR. COLLINS: And I would ask you to amend
13 your motion to say "In accordance with instructions I
14 received in E session."

15 MR. SHEAFE: So amended.

16 MR. IRVIN: Second.

17 CHAIRMAN McCUSKER: Okay. The motion is
18 seconded to instruct counsel to complete -- to continue
19 negotiations with Caliber per our instructions in
20 executive session.

21 All in favor say aye.

22 MR. MARQUEZ: Aye.

23 MR. SHEAFE: Aye.

24 MR. IRVIN: Aye.

25 MS. COX: Aye.

1 MR. HILL: Aye.

2 CHAIRMAN McCUSKER: Motion passes.

3 And Item 9, Keri, Sloane, you're up.

4 The Volvo site, if you're not from around
5 here, of course, is a site just east of downtown, the
6 former Volvo site.

7 Sloane owns the extraordinary Welcome Diner
8 and is the awardee, is what the government would
9 consider him, for the parcels that surround the
10 Welcome Diner on that site. And we've obviously
11 expressed an interest in helping enable further retail
12 on that site.

13 So, Sloane, Keri, whenever you're ready.

14 MS. SILVYN: Start with introductions while
15 getting the technology going.

16 I'm Keri Silvyn, 5983 East Grant Road.

17 Sloane is here with me, McFarland. We want to thank
18 you for the opportunity to come back after last month's
19 meeting.

20 We're very excited about the project that
21 you may see in a minute, or you might not.

22 I do have hard copies of the
23 presentation. I have enough for you all and a few
24 for the audience.

25 CHAIRMAN McCUSKER: Let's distribute those

1 just in case we can't get the PowerPoint up.

2 MS. SILVYN: Okay. I'm going to rock and
3 roll.

4 The vision for this project is, I think a
5 lot of you know, is to really build up what Sloane and
6 his partners have been doing with the Welcome Diner,
7 being respectful in honoring what's out there and also
8 providing some really cool and exciting commercial
9 hospitality, residential, and recreational
10 opportunities that are going to serve both the
11 existing and hopefully future folks who want to come to
12 Tucson.

13 The vision fits perfectly within the
14 Sunshine Mile. It is at the western terminus of the
15 Sunshine Mile.

16 If you go to -- I think it's the fourth
17 page. There's a little bit of -- we all know where we
18 are. It's the old Volvo site.

19 The property in red is what the
20 ownership -- the private ownership currently has, which
21 is 1.68 acres, and then in yellow you'll see the
22 additional 1.8 acres, which is what they're purchasing
23 from the City of Tucson.

24 The existing zoning is C3 along Broadway
25 and down Park a little bit of the ways, and then the

1 rest of it is I-1.

2 As I think a lot of you know, that is the
3 highest intensity commercial zoning. It's also,
4 obviously, industrial zoning.

5 So a lot of the uses we're going to talk
6 about in a minute are actually permitted under the
7 underlying zoning.

8 The reason that we have a commitment with
9 the City to go through a PAD is that our zoning code in
10 the city of Tucson encourages a very suburban form of
11 development.

12 And on this site it really -- and most of
13 the infill projects are looking for infill development
14 standards. So the PAD is going to give us an
15 opportunity to create those infill standards.

16 So we are getting -- in this presentation
17 getting just a little bit ahead of the actual PAD
18 process, which is the entitlement process.

19 But the uses we're talking about are pretty
20 much permitted in the underlying zoning, so I'm not
21 getting ahead of the use discussion. It's just the
22 form of the development which we'll be establishing in
23 the PAD.

24 The next page is the Rio Nuevo Business
25 District. I was asked to just point that out.

1 The McKey Street, alley -- named alleys and
2 streets are sometimes one and the same in the city --
3 the McKey runs through the middle of it. The northern
4 edge of McKey is actually the edge of the Rio Nuevo
5 District on the site.

6 The next page you'll start to see kind of
7 the vision for the project. Sloane is an artist, so
8 this is an artist's rendition of the types of uses that
9 are going to be on the project.

10 The next page is really the -- I'm not
11 going to call it a site plan, but sort of the beginning
12 of the vision for the uses on the project.

13 So the team has worked on a number of
14 concepts. As you can see, based on that map, a lot
15 of the TPT-generating uses are actually north of
16 McKey.

17 You know, there's sort of the "know your
18 audience." I'm standing here in front of the
19 District, so the question of whether we did that on
20 purpose, the answer is it actually worked out that way
21 because it makes sense to put the TPT-generating uses
22 up along Broadway, which is our major arterial, and
23 Tyndall and Park, and to pull some of the
24 non-TPT-generating portions of the project down to the
25 south.

1 It also ends up being a really good
2 transition into the southern area and some of the
3 neighborhoods as you go further south.

4 The types of uses we're looking at,
5 retaining and enhancing the current Welcome Diner. So
6 there will be investment back into the Welcome Diner as
7 the things -- as the development occurs in and around
8 it.

9 Additional eating establishments branded
10 with the Welcome concepts that are up on -- they're
11 Numbers 2 and 3 on the project. It's another
12 4,000 square feet, in addition to 5,500 square feet of
13 the Welcome Diner.

14 Retail event/meeting spaces, about
15 37,500 square feet in that northern area.

16 Smaller-amenity hotel and residential,
17 you'll see there's a 5-A and 5-B down in the southern
18 portion. Those don't really generate TPT, but they put
19 people there who will help to encourage the use of the
20 retail up on the northern site.

21 We're also looking at a hotel hospitality,
22 the 130-room hotel. That is 5-C, which is in the
23 northern portion.

24 Whether or not that's part of Phase 1 or
25 Phase 2, you'll see in the next -- when we have the

1 spreadsheet that we've -- we're being very conservative
2 in thinking that it may be two phases. What we're
3 hoping is that it's all in one phase.

4 The 130-room hotel -- the actual hotel
5 rooms are not TPT generating, but what we want to do no
6 matter what in our Phase 1 is bring forward some of the
7 more retail amenities that will be incorporated into
8 the hotel in Phase 1.

9 So that's all front loaded, as you can see
10 in our spreadsheet.

11 The -- as I said, the hotel and residential
12 on the south side and a lot of the outdoor/indoor event
13 space, while it is a little bit TPT-generating, it's
14 not substantial. And that's down in the southern
15 portion of the site, again, a good transition.

16 And now I'm on the last page of the
17 presentation, so our timing is perfect.

18 The -- I can start over again if you really
19 want me to.

20 CHAIRMAN McCUSKER: No, ma'am.

21 MS. SILVYN: Just kidding.

22 This is the last page of the spreadsheet
23 with the investment and the numbers, so we've worked to
24 determine the hard- and the soft-cost investment in the
25 Phase 1 and Phase 2 of the project. Again, we're

1 hoping that it's all a single phase.

2 We also estimated the gross sales, annual
3 TPT in construction, TPT for these two phases. We were
4 conservative. We are really hoping to blow the top off
5 a lot of these numbers but felt we needed to be
6 conservative coming in here today.

7 The total investment, land and
8 construction and soft costs for Phase 1, as you can
9 see, are about 9-and-a-half- to \$10 million. For
10 Phase 2 it's 14-and-a-half. So the total capital
11 investment is 24- to 25 million, again, conservative
12 estimates.

13 Construction TPT, doing the math, which I
14 made Sloane do the math, because you generally don't
15 want me to do the math, the Phase 1 TPT is a one-time
16 200- to 300,000; Phase 2 is 350- to 400,000.

17 So the total is 550 to about 700, just
18 over 600 on our estimate for the one-time construction
19 TPT.

20 The retail TPT, we, as I said, excluded any
21 of the hotel and residential. There may be some, but
22 we excluded it to be as conservative as possible.

23 We calculated it out starting at 2021
24 through 2025. So that total is between 4- and
25 5 million. And, again, most of those TPT-generating

1 are all north of McKey, which is within the District
2 boundaries.

3 CHAIRMAN McCUSKER: That's total TPT;
4 that's Rio Nuevo, State, City, everybody combined, or
5 is that our portion?

6 MS. SILVYN: That is -- I think that's
7 Rio Nuevo's portion.

8 MR. McFARLAND: Yeah.

9 MS. SILVYN: Yes, that's Rio Nuevo's
10 portion.

11 MS. COX: Does that include the TPT that
12 we're already receiving on the Welcome Diner?

13 CHAIRMAN McCUSKER: It's a million two of
14 that number.

15 MS. SILVYN: It's a very small portion of
16 that number.

17 MR. MARQUEZ: It's a fourth, I believe.

18 CHAIRMAN McCUSKER: If you look at your --
19 if you can get the spreadsheet up so the public can
20 follow us.

21 I'm assuming that Concept Map 1 is the
22 Welcome Diner, and that ties in to the full-service
23 restaurant.

24 Now, maybe there's some additions to that,
25 because there is an investment. So maybe that's

1 incremental.

2 But I think the question is, what is the
3 current Welcome Diner producing in terms of TPT tax, so
4 we can look at the incremental TPT tax.

5 MS. SILVYN: It is current.

6 CHAIRMAN McCUSKER: I'm sorry. You're
7 ahead of us.

8 So it's the million two less than the
9 406?

10 MS. SILVYN: Yes. As new TPT, yes.

11 CHAIRMAN McCUSKER: Can you pull that up?

12 To summarize for the record and for the
13 public, because it's hard to see even on the board what
14 Sloane and Keri are proposing. Phase 1 is basically a
15 \$10 million addition to the current site. You're
16 repurposing the existing buildings.

17 So I know the neighbors have been very
18 concerned about what happens to the current structures.
19 These are adaptive reuses, which adds restaurant space,
20 a bar/lounge, outdoor mercado, outdoor public space,
21 retail, artisan retail, and creates about, over the
22 period, a little north of \$3 million of Rio Nuevo-based
23 tax.

24 And if you do Phase 2, the construction
25 costs go up. There's not a lot of retail associated

1 with the hotel.

2 So Phase 1 is the home run for us, because
3 it produces such new incremental retail along the
4 Sunshine Mile corridor.

5 And, Mr. Collins, Keri, you probably know,
6 but to ask again, are the investment conversations that
7 we're having with you, I think it's 800,000 of equity
8 and \$2.1 million loan against the project?

9 MS. SILVYN: 1.3 and 8 and then potential
10 TPT sharing as well, yeah.

11 CHAIRMAN McCUSKER: What's the Board's
12 pleasure? Any questions for Keri or Sloane?

13 Thank you. This is very well done.

14 MR. SHEAFE: Let's move for approval of
15 the concept as proposed. I think we've got a long
16 ways to go to get these tied down to the final
17 documents.

18 Counsel?

19 MR. COLLINS: Mr. Sheafe, yes, the concept,
20 I believe, is that the District would enter into a
21 loan agreement -- actually, a development agreement, to
22 use that term, but where the District would agree to do
23 the loan upon the closing of the purchase of the
24 Volvo site, and we can put that together pretty
25 quickly.

1 There's a lot to be done after that. The
2 question becomes the District's -- the District has to
3 own the property if it's going to be a rebate to
4 Sloane, or the City can do it, but it's got to be a
5 government-owned property.

6 So we do have some things to do, but to
7 allow Sloane and Keri to proceed forward, what we would
8 need to do as our first step is authorize the
9 preparation and execution of a loan agreement that also
10 wraps in the \$800,000 equity piece.

11 CHAIRMAN McCUSKER: Just to help
12 conceptually, the \$10 million project -- we're
13 putting up roughly two -- it's five times leverage.

14 But the really interesting piece is the
15 retail components of that, because it's almost all
16 retail. We get twice our investment back in Rio Nuevo
17 site-specific sales.

18 MR. SHEAFE: So I amend the motion to
19 authorize preparation of the documents for the loan,
20 for the other related documentation to move this
21 project forward, which would move forward the
22 possibility of funding the equity portion of it,
23 counsel to complete that work, and have the executive
24 officers approve it once it's complete.

25 MS. COX: Second.

1 CHAIRMAN McCUSKER: Okay. What that will
2 do is allow you to complete the documentation with the
3 developer and allow the executive officers to execute
4 those documents.

5 Everybody got that?

6 MR. MARQUEZ: I have a question.

7 CHAIRMAN McCUSKER: Mr. Marquez.

8 MR. MARQUEZ: What -- so, obviously, this
9 hasn't been built yet. This is conceptual. What is
10 our collateral on the loan upon closing, just the
11 land?

12 MR. SHEAFE: No. We own it.

13 MR. MARQUEZ: We're just going to own the
14 land?

15 MR. SHEAFE: Yeah.

16 MR. MARQUEZ: Okay.

17 MR. COLLINS: Well, it will probably be a
18 leasehold interest. It will be a lien on a leasehold
19 interest.

20 MR. MARQUEZ: Okay.

21 CHAIRMAN McCUSKER: But under the
22 (undecipherable) that will be Rio Nuevo property.

23 MR. COLLINS: True, but there's going to be
24 some financing money, too. So it's going to be very
25 similar to a lot of other deals we've done.

1 CHAIRMAN McCUSKER: Any other questions?
2 We have a motion and a second.
3 Brandi, call the roll.
4 MS. HAGA-BLACKMAN: Edmund Marquez?
5 MR. MARQUEZ: Aye.
6 MS. HAGA-BLACKMAN: Jannie Cox?
7 MS. COX: 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: Jeff Hill?
13 MR. HILL: Aye.
14 MS. HAGA-BLACKMAN: Fletcher McCusker?
15 CHAIRMAN McCUSKER: Aye.
16 And that unanimously passes.
17 Sloane, congratulations.
18 MR. MARQUEZ: Good job, Keri.
19 CHAIRMAN McCUSKER: Keri, thank you very
20 much.
21 I think I'm on Item 10, TCC improvements.
22 MR. SHEAFE: Did you skip over Caliber?
23 CHAIRMAN McCUSKER: I did skip over
24 Caliber. No, I think we talked about instructing
25 counsel to move ahead for E session. That was your

1 motion, actually.

2 MR. SHEAFE: Oh, you're right.

3 MS. COX: Never mind.

4 MR. SHEAFE: Never mind.

5 CHAIRMAN McCUSKER: Item Number 10, TCC.

6 To refresh everyone's memory, we have had a special
7 hearing regarding the TCC so-called capital improvement
8 projects list.

9 And that totaled about \$42 million,
10 roughly. It was prepared by City staff and presented
11 to us. Not only did we take -- not take anything off
12 the list, we talked about projects that would add to
13 that cost, conceivably as high as 70- or \$75 million.

14 The key next step for us in that process is
15 to, of course, finance that. So what we want to do now
16 is authorize the solicitation of financial proposals
17 from various lenders, banks, builders, whomever, to
18 finance something in that neighborhood.

19 And, also, I think we talked about
20 issuing a request for qualifications to see what
21 construction firms might be interested in a project of
22 that scale.

23 Is that oversimplifying the --

24 Mr. Collins?

25 MR. COLLINS: Mr. Chairman, no, it is not.

1 It's really a couple of tracks.

2 One is soliciting funding to find out what
3 the cost of money is going to be and how much you can
4 access.

5 The second is the RFQ process, which would
6 be soliciting qualifications for people who are
7 interested in doing the building.

8 But there's one more piece, and that is the
9 design team. And so I think you ought to be thinking
10 about engaging an architect or some such professional
11 to work with the preparation of the RFQ that you're
12 talking about.

13 CHAIRMAN McCUSKER: So it's really a
14 three-piece kind of conversation: Rise to authorize
15 the District to retain an architectural firm. That's a
16 professional service, so it does not have to be
17 competitively procured.

18 MR. COLLINS: Correct.

19 CHAIRMAN McCUSKER: Item Number 2 would be
20 solicit financial proposals. And we can use the
21 financial advisor to do that. That's a professional
22 service. It does not have to be competitively
23 procured.

24 MR. COLLINS: Precisely.

25 CHAIRMAN McCUSKER: And the part that would

1 scope under procurement would be the construction firm
2 contractor RFQ.

3 MR. COLLINS: Correct.

4 CHAIRMAN McCUSKER: So we might want to
5 think about three motions.

6 MR. IRVIN: I think we've already done a
7 motion to approve the executive officers to move
8 forward on financing. Am I missing something? We're
9 okay on that one.

10 MR. COLLINS: You haven't specifically
11 addressed financial advisor, and I would suggest that
12 you do.

13 And so I would -- that would be my
14 suggestion is that you -- the executive officers be
15 authorized to engage a financial advisor to work with
16 the executive officers to determine how much can be
17 borrowed and at what cost.

18 MR. SHEAFE: Would that be done through a
19 financial advisor, or are we doing that through an
20 RFQ?

21 MR. COLLINS: You can do it through a
22 financial advisor. You're a governmental entity. You
23 do not have to procure that advice. As the chairman
24 indicated, that's a professional service. Plus, you're
25 a governmental entity.

1 CHAIRMAN McCUSKER: The last time, Chris,
2 we used Piper.

3 MR. SHEAFE: Yeah, that's why I'm
4 thinking -- okay.

5 CHAIRMAN McCUSKER: Someone like that that
6 we can interview, retain. Same thing with the
7 architectural firm, we can entertain and hire whomever
8 we want.

9 MR. COLLINS: Correct.

10 CHAIRMAN McCUSKER: So let's look at three
11 motions: Authorization to hire an architect,
12 authorization to hire a financial advisor, and
13 authorization for counsel to release a construction
14 management RFQ.

15 MR. COLLINS: To Mr. Irvin's point, I think
16 the last one of those you got covered last time. I
17 believe I was instructed --

18 CHAIRMAN McCUSKER: Never have too many
19 motions.

20 MR. COLLINS: Okay.

21 MR. SHEAFE: Well, we're kind of doing this
22 in reverse, just for everybody's benefit. We're
23 starting off with a number and saying, "Let's figure
24 out if we can get a pile of money. Now, what will we
25 use it for, and how will we build it?"

1 So let's go back to the first portion. The
2 motion is to authorize the executive officers to engage
3 financial resources for -- to guide us in how we would
4 raise money, what it would cost us, and under what
5 circumstances.

6 MS. COX: Second.

7 CHAIRMAN McCUSKER: Okay. And that's a
8 motion to procure -- not procure, but to hire a
9 financial advisor.

10 Brandi, call the roll.

11 MS. HAGA-BLACKMAN: Edmund Marquez?

12 MR. MARQUEZ: Aye.

13 MS. HAGA-BLACKMAN: Jannie Cox?

14 MS. COX: Aye.

15 MS. HAGA-BLACKMAN: Chris Sheafe?

16 MR. SHEAFE: Aye.

17 MS. HAGA-BLACKMAN: Mark Irvin?

18 MR. IRVIN: Aye.

19 MS. HAGA-BLACKMAN: Jeff Hill?

20 MR. HILL: Aye.

21 MS. HAGA-BLACKMAN: Fletcher McCusker?

22 CHAIRMAN McCUSKER: Aye.

23 That's unanimous. You're on a roll,

24 Mr. Sheafe.

25 MR. SHEAFE: Now, the second motion is what

1 are we going to build, and the motion is to hire an
2 architect to help define what it is that we would build
3 in the TCC to make improvements to meet our goal, which
4 is fill all the hotel rooms.

5 So, succinctly, the motion is hire an
6 architect to guide us through the process of
7 establishing the improvements we want to put in to the
8 TCC.

9 MS. COX: The executive officers would do
10 that?

11 MR. SHEAFE: And the executive officers are
12 authorized to complete that engagement.

13 MS. COX: Second.

14 CHAIRMAN McCUSKER: All right. That's a
15 motion to hire an architect and allow the executive
16 officers to execute on that agreement.

17 Brandi, call the roll.

18 MS. HAGA-BLACKMAN: Edmund Marquez?

19 MR. MARQUEZ: Aye.

20 MS. HAGA-BLACKMAN: Jannie Cox?

21 MS. COX: 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: Jeff Hill?

2 MR. HILL: Aye.

3 MS. HAGA-BLACKMAN: Fletcher McCusker?

4 CHAIRMAN McCUSKER: Aye.

5 That one passes unanimously.

6 Mr. Sheafe?

7 MR. SHEAFE: Now, the third one -- the only
8 reason we would do this at this point is because the CM
9 at risk relationship may help us better cost engineer
10 the improvements and understand, really, what we're
11 doing.

12 So it would be authorizing the executive
13 officers to engage, when the timing is necessary,
14 appropriate construction resources for the cost
15 review of those improvements. The architect helps
16 us reach the conclusion about what we're going to
17 build.

18 Is that clear enough?

19 CHAIRMAN McCUSKER: No.

20 MR. SHEAFE: You were looking at me like --
21 I can do that again, if you want.

22 MR. COLLINS: Sure.

23 MR. SHEAFE: Authorize the --

24 CHAIRMAN McCUSKER: I move --

25 MR. SHEAFE: You do?

1 CHAIRMAN McCUSKER: No, no, no. Recite
2 after me: I move --

3 MR. SHEAFE: I'm trying to get him on an
4 airplane.

5 I move the executive officers are
6 authorized to hire construction resources for the cost
7 engineering of improvements that are determined for
8 improvements to the TCC.

9 CHAIRMAN McCUSKER: Somebody say --

10 MR. MARQUEZ: Second.

11 CHAIRMAN McCUSKER: To be clear, this is
12 regulated by Title 34 of the State procurement code.

13 MR. COLLINS: It is.

14 CHAIRMAN McCUSKER: So this is an RFQ. It
15 is released competitively. It's addressed. They're
16 evaluated. And then Rio Nuevo selects someone from
17 that process.

18 MR. COLLINS: Just as Mr. Sheafe indicated,
19 that allows you to value engineer it.

20 CHAIRMAN McCUSKER: All right. Brandi,
21 call the roll.

22 MS. HAGA-BLACKMAN: Edmund Marquez?

23 MR. MARQUEZ: Aye.

24 MS. HAGA-BLACKMAN: Jannie Cox?

25 MS. COX: Aye.

1 MS. HAGA-BLACKMAN: Chris Sheafe?

2 MR. SHEAFE: Aye.

3 MS. HAGA-BLACKMAN: Mark Irvin?

4 MR. IRVIN: Aye.

5 MS. HAGA-BLACKMAN: Jeff Hill?

6 MR. HILL: Aye.

7 MS. HAGA-BLACKMAN: Fletcher McCusker?

8 CHAIRMAN McCUSKER: Aye.

9 Thank you. That's unanimous.

10 To paraphrase -- is Chris DeSimone here?

11 To paraphrase, what we want to do is
12 improve everything that the City has asked us to do.

13 We've also considered the addition of a
14 parking garage on the east side of the TCC, some 450
15 spaces. We've also included opportunities for parking
16 and perhaps a second sheet of ice to develop a public
17 ice rink on the west side of the TCC.

18 None of that's been properly estimated or
19 scoped, and the architects will indeed help us do
20 that.

21 At such time, we'll have a better idea of
22 the cost, and we'll have an idea of what it would take
23 to finance that, and we'll have the opportunity to hire
24 a construction firm to help us do all that.

25 I think, from our perspective, we want to

1 get after this posthaste. We could pay as you go and
2 dribble money at the TCC for the next 10 years. That's
3 really not our intent.

4 Our intent is to invest in that so it
5 becomes, frankly, our Lincoln Center. And we can do
6 that, we believe, in a space of about two years.

7 We'll move on to Item 11.

8 Mr. Collins, this is mostly technical,
9 but we're kind of backing into some agreements that
10 we've made historically (undecipherable) on this
11 project.

12 MR. COLLINS: Yes, Mr. Chairman, members of
13 the Board.

14 The Arizona Hotel project was originally
15 approved by this Board at its October 25th, 2016,
16 meeting. A revised approach was authorized at its
17 May 30, '17, meeting.

18 We've had a few hiccups along the way.
19 Nothing has been memorialized. But now the developer
20 is ready to complete the improvements consistent with
21 the Board's previous authorization and with a
22 discussion that we had in executive session.

23 So I am requesting from you a motion
24 directing me to complete that process as I was
25 instructed in executive session.

1 CHAIRMAN McCUSKER: Hello?

2 MR. SHEAFE: So moved.

3 MS. COX: Second.

4 CHAIRMAN McCUSKER: Any other
5 conversation?

6 Any questions?

7 Brandi, call the roll.

8 MS. HAGA-BLACKMAN: Edmund Marquez?

9 MR. MARQUEZ: Aye.

10 MS. HAGA-BLACKMAN: Jannie Cox?

11 MS. COX: Aye.

12 MS. HAGA-BLACKMAN: Chris Sheafe?

13 MR. SHEAFE: Aye.

14 MS. HAGA-BLACKMAN: Mark Irvin?

15 MR. IRVIN: Aye.

16 MS. HAGA-BLACKMAN: Jeff Hill?

17 MR. HILL: Aye.

18 MS. HAGA-BLACKMAN: Fletcher McCusker?

19 CHAIRMAN McCUSKER: Aye.

20 And that passes unanimously.

21 Mark, thanks for the hard work there.

22 Item 12, west-side parcel, this is a
23 conversation we're going to hold in public session. I
24 think maybe the first time we've done this regarding
25 the A Mountain landfill, the challenges and

1 opportunities there.

2 Just to refresh everyone's memory on how we
3 came to own this parcel, the 27 acres or thereabout
4 south of Mission Lane in and around Mission Garden was
5 deeded to Rio Nuevo as part of the settlement with the
6 City of Tucson in 2013.

7 I don't think anyone understood at the time
8 how toxic a landfill we really inherited. Had we known
9 that, we might have taken a different position with the
10 City, who was settling a variety of financial issues
11 with us.

12 We did some engineering on that site in
13 2015 to see what the possibilities and challenges
14 were. We also had to address the same landfill to the
15 north when we remediated that for the Caterpillar
16 site.

17 We had to, simply put, take the trash out
18 of the old landfill, put it in dump trucks, and haul it
19 to Los Reales.

20 As simple as that sounds, that cost us
21 about \$6 million, or roughly a million dollars an
22 acre.

23 The City took advantage of our heavy
24 equipment there and elected to remediate the northern
25 section of the landfill that's City owned. They

1 spent about \$8 million remediating the sections around
2 what is affectionally called Tucson Origins Heritage
3 Park.

4 So these northern sections have indeed been
5 remediated. Simply put, the trash is scooped up and
6 hauled off to the dump.

7 The southern section, the Rio Nuevo
8 section, however, has not been remediated. And we
9 estimate the cost of that to be somewhere north of
10 \$30 million.

11 So we've been historically stymied on that
12 parcel. If you look at the engineering report we've
13 distributed recently -- it's back up on the website --
14 it's some 190 pages.

15 It basically suggested that we not tinker
16 with the landfill. Don't pave over it. Don't cap it.
17 Don't build on it. Don't penetrate it. Moreover,
18 don't irrigate on it for fear it would leach into the
19 aquifer.

20 So we have some real liability now as the
21 owners. We're not the polluters. The City of Tucson
22 is, in fact, the polluter. But Rio Nuevo owns it. So
23 we probably share some legal liability regarding its
24 toxicity.

25 In my mind, it should be remediated. It

1 should be rectified. The only way any of us are ever
2 going to have clean earth to deal with over there,
3 whatever happens over there, is to find some way to
4 afford and pay for the remediation of those western
5 lands.

6 There have been some off-and-on-again
7 conversations about doing something on top of the
8 landfill. I think that's incredibly risky, given what
9 we know about its toxicity and just the difference in
10 grade.

11 So we've kind of taken the position
12 historically that we really can't do anything.

13 A number of west-side residents are
14 advancing a proposal, my words, to reforest those
15 27 acres as Sonoran desert.

16 The County, as we now know, is considering
17 dredging the Santa Cruz along that section of the river
18 and will have several tonnage of fill.

19 And it was suggested that we could put
20 that on top of our landfill and perhaps have enough
21 buffer between the methane and the opportunity to
22 reforest that it might be converted into a Sonoran
23 desert park.

24 There's some real challenges with that
25 plan. One is the landfill itself. It's toxic. It's

1 going to continue to produce methane. We can't
2 irrigate it.

3 And it doesn't matter how tall you make the
4 dirt; you still can't put water on it. So it would
5 have to be irrigation free. It doesn't lend itself to
6 a very lush park, for sure.

7 We can't build on it. We can't put a
8 structure on it. We can't penetrate it. We can't
9 build a building. You can't pave it if you wanted to
10 park on it. So we're just kind of stuck with the
11 status of it.

12 The other challenge is that I don't think
13 the County really intends to do this, based on the
14 input we've received from west-side residents.

15 And I can tell you, we've received over a
16 hundred e-mails and letters encouraging us to consider
17 this.

18 We met with the County manager on Friday,
19 and he said that the County has absolutely no intention
20 of putting the river dirt on top of a landfill.
21 They'll find some other place to put it. So we remain
22 kind of stuck, in my opinion.

23 I'm happy to allow a spokesperson, Raul or
24 somebody who wants to kind of tell us, Diana, what you
25 guys are thinking, or if you have some new information,

1 I think we would be happy to put you on the record.

2 And we'll allow the Board to discuss it and arrive at
3 some democratic position going forward.

4 But, from my perspective, and I'm only one
5 vote, I don't think you can do anything without
6 remediating the land.

7 Mr. Irvin?

8 MR. IRVIN: First of all, I would
9 completely concur in that. And I think any other
10 community that had the opportunity to have 30 acres
11 sitting right at the base of A Mountain downtown with
12 landfill or not, we would be, I think, derelict in our
13 duties just to cover it up with dirt and think that we
14 can make a park out of it.

15 I'd like to see us at some point in time
16 actually seek a planned area development, go through a
17 PAD zoning on that, and determine what we'd like to do
18 on that.

19 Obviously, we would need a lot of input
20 from stakeholders and others. I personally don't have
21 any interest in this being some big park.

22 I think we would be shot by those that
23 appointed us if we did that. I think we've already
24 gone through that issue and that battle.

25 So I'd like to see us right now do nothing

1 with it until such time as we feel that we can advance
2 a planned area development to really sit down with
3 stakeholders and decide what's possible there.

4 But until then, I just don't see me
5 supporting throwing dirt on top of that and creating an
6 additional problem. I just don't think it works.

7 MR. MARQUEZ: I have a comment.

8 CHAIRMAN McCUSKER: Mr. Marquez.

9 MR. MARQUEZ: I can definitely understand
10 where Mr. Irvin is coming from. It's \$35 million to
11 remediate this landfill. It's a lot of money.

12 Obviously, you have to go \$35 million of
13 expense before you even got to actually building
14 something and developing something.

15 It is a unique opportunity if the County is
16 wanting to or has the will to place that sediment and
17 silt and sand on top of this property just to make it
18 more attractive.

19 I think it's a pride issue, especially
20 the west side. My family comes from the west side.
21 We'd like to have some pride in our area to make sure
22 that we have a livable place, a nice-looking area,
23 instead of just a, gosh, surface-of-the-moon-looking
24 landfill.

25 The question is whether or not the County

1 is willing to do that. In our report that we did read
2 through the 190 pages, there's an opportunity for
3 there to be some dirt on top of the property with some
4 desert vegetation, zero irrigation so you don't mess
5 with the water table or the water underneath
6 reaching.

7 There is some opportunity, but I guess it
8 really comes down to whether there's political will by
9 the County to even present this to us. And from what
10 I'm hearing from my fellow Board members is there's
11 not.

12 But I think, as Rio Nuevo, if the County
13 does present something to us, I think we should be open
14 minded and listen and at least see what Chuck or the
15 rest of the County has to say.

16 MR. IRVIN: Just to be clear, the County
17 may want to do or may not want to do it, but before
18 they can do anything, they have to have this Board's
19 permission to do that. They can't just go and start
20 popping dirt on top of there.

21 MR. MARQUEZ: Of course not.

22 MR. SHEAFE: Let's hear what we're talking
23 about.

24 CHAIRMAN McCUSKER: Raul, Diana, come on
25 up.

1 State your name and if you represent
2 anyone.

3 MS. HADLEY: Diana Hadley, and representing
4 Friends of Tucson's Birthplace, and a resident of the
5 west side.

6 CHAIRMAN McCUSKER: Thank you.

7 Raul?

8 MR. RAMIREZ: Raul Ramirez, resident of
9 west side, and also on the board of directors for Menlo
10 Park.

11 They did send a letter in terms of support
12 for the plan. So from that perspective, I'll also be
13 talking about that.

14 CHAIRMAN McCUSKER: Go ahead.

15 MS. HADLEY: So at this point we have
16 letters of support from four or five of the adjacent
17 neighborhoods to the A Mountain landfill. And there is
18 very much popular support in general for the ecological
19 restoration of this park.

20 And in the past few weeks we made a visit
21 to two landfills in the Phoenix area that have been
22 remediated through capping and with all of the landfill
23 left in place.

24 And one of them is in Chandler. And the
25 one in Chandler is 60 acres, I believe. I think we

1 sent you a report on that landfill. 60 acres, and they
2 have archery, walking trails, basketball court.

3 What else was up there?

4 MR. RAMIREZ: Dog park, yeah, disc golf.

5 MS. HADLEY: Disc golf and parking on --
6 without pavement underneath the parking area. It's
7 graveled over. And it's a huge cultural amenity to the
8 city of Chandler.

9 We went to another park that was --

10 MR. RAMIREZ: Horseshoe Park.

11 MS. HADLEY: Horseshoe Park.

12 And that has not been remediated. It is
13 under development. And they have equestrian trails
14 next to a huge equestrian barn. And it's a really
15 important amenity for that portion of the Phoenix
16 area.

17 There are several others that we heard
18 about that we didn't visit. And throughout the United
19 States, there are landfills that have not had the
20 landfill material removed, and they are being used as
21 major cultural amenities throughout the United States
22 and Europe and in Asia, actually.

23 So what we understand from Pima County
24 Flood Control, they have done an excellent job on the
25 dredging of the portion of the Santa Cruz between

1 Speedway and Grant, leaving the vegetation that's
2 adjacent to the banks in place and only dredging the
3 center channel of the river so that they increase the
4 flooding capacity without disturbing the vegetation.

5 And they did that in order to avoid nesting
6 season, and that is what they want to do on this
7 portion of the river from 29th Street to Cushing
8 Street. So that means that they need to start doing
9 the dredging promptly.

10 The -- what -- they have a landscape
11 architect on their staff, and they have an ecologist on
12 their staff.

13 And two of the things that they do is to
14 remove all of the herps and all of the living wildlife
15 from the river.

16 They would do the same thing from the
17 A Mountain landfill area if you all select to have the
18 dredged material stored there.

19 They have made a design for berming and
20 swaling of the approximately four feet of landfill that
21 would be spread throughout the -- four feet of soil
22 material dredged from the river would be spread on top
23 of the 27-acre landfill, and it would average some
24 three to four feet in height.

25 And they have a plan in place for berming

1 and swaling that material, which Mr. Marquez saw
2 yesterday.

3 And it would serve as passive water
4 harvesting without any artificial -- without any outside
5 water being placed on top of the landfill.

6 And they would save all of the large trees
7 that are currently growing on top of the landfill. And
8 there are some 40 trees that are over a caliper of 12
9 to 24 inches. So there's some big trees growing out
10 there already.

11 And this soil material from the river would
12 create a space for passively encouraging native
13 vegetation.

14 Also, the brittlebush is blooming out
15 there right now. So if you want to go see something
16 blooming out of season, it's pretty amazing that it's
17 there.

18 In any case, it seems to me that this is
19 free fill. It is -- it's free soil material that would
20 provide additional capping for the landfill, which was
21 capped already when it was closed in 1961.

22 When it was closed in 1961, that makes it
23 almost 60 years closed. And the limit of concern for
24 landfills, apparently, is 30 years. So we're way
25 beyond the period of concern.

1 And the engineering report states that it
2 will continue to create small amounts of methane but
3 that it is not a problem for anything except structural
4 placement, which would cause cracking from the
5 subsidence that will naturally take place.

6 In any case, they've done -- we would get
7 free soil material, free trucking. And they have a
8 free design for berming and swaling the entire
9 landfill, which is in place and ready to go.

10 And it seems to me that it would be a huge
11 waste of money to leave the landfill in its current
12 condition when it could be so easily improved, even if
13 it's just on a temporary basis.

14 If something came along that would be more
15 desirable for Rio Nuevo, then that -- it wouldn't be
16 in --

17 MR. SHEAFE: Would you mind if I ask you a
18 question, Diana?

19 MS. HADLEY: Uh-huh.

20 MR. SHEAFE: I'm trying to understand. Is
21 there room in the thinking that this property might
22 have more uses than just simply an open space?

23 MS. HADLEY: Not on the west side.

24 MR. RAMIREZ: Well, you know, it's 27
25 acres. And one part of it, the north side, buttresses

1 against the Carrillo house. So it could be a nice
2 lead-in to the Carrillo house.

3 And I know that you're all committed
4 through the settlement to build the Carrillo house,
5 although I don't know what the timetable is. I think
6 there's opportunities.

7 You know, the -- if you look at the
8 landfill, the problem areas are basically on the north
9 side and the east side bordering the river. And --
10 because I did read the report, and it does -- and I
11 agree that it does have a lot of challenges.

12 But I think we're in a unique position
13 right now to cross roads where we can kind of take
14 advantage of several things that are coming up.

15 And one of the things from my side and from
16 the neighborhood's side that's sort of been pushing
17 this is the plans with the County flood control.
18 Another one is the City of Tucson and the -- and
19 introducing reclaimed water into Santa Cruz.

20 All of those things, saving the area in
21 terms from flooding the remediation water is going to
22 improve the area and really will probably be a boom for
23 development on the banks of Santa Cruz.

24 I agree with Mark in his statements in the
25 sense that what I would recommend, honestly, is that

1 you get the right folks at the table.

2 And one of the people that you do want is
3 the folks that put together the 2015 report, because in
4 conversations -- I don't know if you're aware of it,
5 but I'll go ahead and share it with you.

6 The trip to the Phoenix area included two
7 representatives of that firm, the
8 hydrogeal (phonetic), Kim -- I always get confused
9 with the names.

10 And they thought that even though there was
11 problems with the A Mountain, that there was
12 opportunities. And I do see an opportunity here.

13 So I would say that, you know -- and I
14 want to thank you for putting it on the agenda, because
15 I think it shows, really, that these are the same
16 concerns as we do in terms of Tucson and wanting to see
17 something viable there.

18 But the people that really have to be also
19 is those people that you trust that put together the
20 report, because us telling you we think this and, you
21 know, we saw this, we're suspect, because we're
22 laypeople, honestly. Okay?

23 Our concern is for the neighborhood. We're
24 very dedicated to the history of the area, the
25 connectivity between Tumamoc, A Mountain, and Tucson's

1 birthplace.

2 We see possibilities, and we see -- and I
3 know that County flood control also wants to push
4 forth, and were hoping someone from their department
5 would be here or someone representing the County would
6 be here to talk about what could be done.

7 But it would seem that we all should have a
8 second look at this, honestly. And that's what I would
9 recommend. And I hope that you would act in that
10 direction.

11 CHAIRMAN McCUSKER: Raul, Diana, thank you
12 very much.

13 The reason it's on the agenda is because of
14 the challenges we face collectively. I think the risk,
15 if we do something abruptly out of context, that it
16 could dismantle any future plans.

17 Parking is going to be a huge issue
18 there. If indeed the City builds the Convento and
19 S-Cuk Son and the chapel, where are those visitors
20 going to park? And if we forested this and we made it
21 five feet higher, it's almost not usable for parking.

22 What would be interesting, and I would be
23 happy to ask the County, if they put the dirt there and
24 we'd like them to take it back, will they pay to remove
25 it, because if the cost is the same, we just deferred

1 the cost. You know, and maybe there's other kind of
2 conversations that we have.

3 But I think both of you are kind of saying
4 the same thing: In the absence of a plan, none of
5 these things make any sense.

6 The other thing that's really challenging
7 for us, the days of Rio Nuevo funding a park died in
8 2010. The reason that we got extended was because the
9 investments we're making in retail and the
10 opportunities we have to create sales tax.

11 Remember, under the new law, I have to go
12 to the legislature anytime we advance a project over
13 \$500,000.

14 And I cannot imagine the scenario, Raul,
15 where I'd go to them and say, "We would like to invest
16 in a Sonoran desert park, and it has zero return on the
17 investment."

18 You can make all the ecotourism arguments
19 you want, but if you just saw what we did today, these
20 are direct dollars returning on investments that we're
21 using of your state tax dollars.

22 I think there's a way to do some of that.
23 I think there's a way to have a park and some retail.
24 I think there's portions of the Tucson Origin Heritage
25 Park -- we've talked about this -- that could have

1 retail components. And then we've got to adjust the
2 parking situation.

3 I also challenge the County manager if
4 collectively all of us couldn't come up with some
5 ground-fill fund. The City can't because they're the
6 polluters. But Rio Nuevo and the County might have
7 access to some federal ground-fill dollars.

8 We've talked to Tohono O'Odham about this.
9 Nobody wants the land in its toxic condition.

10 What Mr. Huckelberry's decision was was not
11 anything having to do with the engineering or the
12 dredging or what the Santa Cruz looks like, but the
13 liability that comes to the County if they put dirt on
14 our landfill -- I'm using the collective "our" -- and
15 somebody's exposed to methane gas.

16 Now, the County is as liable as we are for
17 that toxicity. So I think we're all fine kind of
18 sitting down and trying to figure something out,
19 talking to the County about the timing of all this, if
20 we let them store -- use the word store, if they store
21 the dirt there, and we don't want it anymore, will they
22 remove it if we change our mind, is there a way to do
23 something temporarily, is there a way to berm it.

24 I agree with them, and it's tragic, its
25 current condition. But we are truly, truly stuck.

1 But, you know, we wanted to get this in
2 front of the Board. If anyone wants to take any
3 specific action today, you're certainly allowed to do
4 that. You're in a public meeting.

5 MR. IRVIN: Raul, I'll just say to you, I
6 think some of the components that you guys are
7 advancing are probably things that we would probably
8 support.

9 My concern is probably twofold. First, I
10 get very concerned about us doing something where the
11 legislature looks at us and says, "You guys are
12 done."

13 And I'd say something that was a pure
14 park would be one that we would be absolutely done.
15 And it also, then, precludes us from other types of
16 uses.

17 And then the dirt that's free, first off,
18 it's dirt out of the river bank. You can't build on
19 it. It doesn't support anything. It's not like you
20 can mix it with something and do something with it.

21 It's dirt that when we do something with
22 this site, we'll have to haul all that stuff off of
23 that site anyway.

24 So I'm not really a big supporter of just a
25 one-off. If there's a collective idea to come -- and

1 you guys could be a part and push this. So I commend
2 you for just bringing it to you (verbatim), because we
3 look at this acreage all the time and ask ourself what
4 could we do with it.

5 And we've all said -- and hindsight is
6 20/20. The Rio Nuevo Board, way back in the day, would
7 have invested that money and remediated that site.
8 They would have got at least something to show for it,
9 which we don't have now.

10 So I support us having continued
11 discussions about it. But due to that it's a one-off
12 30-acre park won't get my support.

13 MR. MARQUEZ: I have a comment.

14 CHAIRMAN McCUSKER: Mr. Marquez.

15 Thank you, Diana and Raul.

16 MR. MARQUEZ: So good news is, Pima County
17 is not charging us for any of this if they did put the
18 sand or silt on our property. It would be free.

19 They would pay off to do the grading plan.
20 They would also pay -- I didn't know this, but Pima
21 County has a desert plant nursery, so we could actually
22 choose low-moisture plants or bushes that could be on
23 the site that would not need irrigation.

24 I would like to see -- we don't even know
25 whether or not it's official or not Pima County wants

1 to do this, because there's no one from Pima County in
2 the room. I would like to see us --

3 MR. IRVIN: John just walked in.

4 MALE VOICE: I don't know.

5 MR. MARQUEZ: You work in flood control?

6 MALE VOICE: That's not my area.

7 MR. MARQUEZ: Okay. I would run out
8 quick.

9 So I would like to see us at least have a
10 conversation to find out to see if there is an
11 opportunity, or maybe Chuck tells us no.

12 I would like to move that we authorize
13 myself, Jannie Cox, Fletcher McCusker, to have a
14 conversation with leadership at Pima County to find out
15 if there are options.

16 MR. IRVIN: I don't think you need a motion
17 for that. If you want to talk to them, just go talk to
18 them.

19 MR. MARQUEZ: Okay.

20 MR. SHEAFE: You know, one thing, just to
21 comment, it's very obvious here that we really don't
22 know what we're talking about.

23 And this is a big asset. It's a big
24 piece of property. We really probably deserve putting
25 in a little more time into trying to come up with a

1 concept that we can think of in terms of long term that
2 might be quite acceptable to the neighborhood, but also
3 meet some of the other conflicting goals that we've
4 got.

5 So as this thing goes forward, I really
6 appreciate the fact that it's on the schedule. I think
7 we can leave it at that.

8 And let's kind of task ourselves with
9 getting educated so we learn how -- or figure out what
10 we can do that's positive. It's quite an asset.

11 CHAIRMAN McCUSKER: We're certainly not
12 going to stick it in the drawer. I'll put it on the
13 agenda every month if we have a reason to talk about
14 it.

15 It is concerning to me that County
16 engineers have a plan and grading plan and berms, and
17 no one's talked to us about that.

18 And when I met with the County manager, he
19 goes, "No, there's no way we would do that."

20 So, you know, there's obviously a lot of
21 factions to that. We're like the least political
22 people in the room, and, you know, we'll just sit down
23 and figure this all out.

24 So let's keep talking. We'll try to
25 advance it. We'll try and do something -- you know,

1 one of the things, I think, for the west side to think
2 about, and this is true of any negotiation I've been
3 involved with, not everyone is going to like the
4 result.

5 Everyone is going to be a little bit
6 unhappy. And if that's the case, we probably
7 accomplished something that otherwise we could not have
8 accomplished.

9 MR. HILL: Mr. Chairman, we have a motion
10 before us, and I'll second that.

11 CHAIRMAN McCUSKER: Mr. Marquez made a
12 motion to -- he did make a motion for Jannie, Edmund,
13 and I to be appointed to continue the conversation
14 with the County. You now have a second to that
15 motion.

16 Any conversations, questions?

17 MS. COX: I just want to thank, again,
18 Diana and Raul for bringing this forward and being so
19 eloquent about your presentation that you had no chance
20 to prepare for. It was very, very well done and very
21 compelling.

22 I'm especially interested in the report you
23 said you had about this particular landfill having --
24 about a landfill having a 30-year life, that it was
25 non- -- became less toxic after 30 years.

1 That's something I didn't know. And that
2 certainly was not in the report that we got, was it? I
3 don't think. So that's --

4 CHAIRMAN McCUSKER: I was going to call for
5 the question. We have a motion and a second.

6 So unless there's further questions, Brandi
7 please call the roll.

8 MS. HAGA-BLACKMAN: Edmund Marquez?

9 MR. MARQUEZ: Aye.

10 MS. HAGA-BLACKMAN: Jannie Cox?

11 MS. COX: Aye.

12 MS. HAGA-BLACKMAN: Chris Sheafe?

13 MR. SHEAFE: Aye.

14 MS. HAGA-BLACKMAN: Mark Irvin?

15 MR. IRVIN: No.

16 MS. HAGA-BLACKMAN: Jeff Hill?

17 MR. HILL: Aye.

18 MS. HAGA-BLACKMAN: Fletcher McCusker?

19 CHAIRMAN McCUSKER: I would vote no. But
20 the motion is going to pass four to two. So we'll
21 appoint the three of us to continue to talk to the west
22 side and the County and anyone else that's interested
23 in this parcel.

24 Thank you for your time and attention.

25 MR. HILL: Mr. Chairman, point of order?

1 CHAIRMAN McCUSKER: Sure.

2 MR. HILL: We often have in situations when
3 people come up and testify before a public body, that
4 they're supposed to be registered lobbyists. And a lot
5 of people don't know that.

6 So when they say they represent somebody
7 and they haven't registered with the Secretary of
8 State, they walked into a felony.

9 So I'm urging that if you come before a
10 public body, say you're a resident. Don't say you're
11 representing such and such a company, particularly if
12 they're a legal entity. You can get in a lot of
13 trouble for that.

14 Counselor, you may (indecipherable)
15 eloquent if you would, but that's my recollection.

16 MR. COLLINS: No, I think you're right.

17 CHAIRMAN McCUSKER: And I see them as
18 residents. I think we respect many of the west-side
19 residents as residents.

20 MS. HADLEY: Thank you for not sending us
21 to jail.

22 MR. HILL: Let the minutes reflect,
23 Mr. Chairman, that they're residents, and it was a slip
24 of the tongue that they were representing some
25 association.

1 CHAIRMAN McCUSKER: Mr. Hill, thank you.
2 That's why you're a lifetime member of the Board.

3 Sunshine Mile, I think there's no action
4 required there. We can table that.

5 The next two items, 75 East Broadway and
6 the Cushing Street lot, these are County-owned
7 properties where we have options to acquire. We're
8 still in the process of working through both of
9 those.

10 And I think, Mr. Collins, you have some
11 language that would allow us to maybe get an extension
12 of time before we have to execute the option.

13 Mr. Collins?

14 MR. COLLINS: We've -- with respect to
15 75 East Broadway, we have exercised the option. There
16 is ongoing negotiation. But I think we're pretty close
17 to having ground lease that is agreeable to both the
18 District and the County and a sublease that's
19 agreeable to the County, the District, and the
20 developer.

21 We got a little timing question, and I
22 believe we've come up with a language for that.

23 I don't think you have to take any action
24 today on the 75 E. Broadway parcel.

25 CHAIRMAN McCUSKER: Okay.

1 MR. COLLINS: Cushing Street, there is an
2 option agreement that is virtually identical for that
3 property sometimes called the Theresa Lee lot. We
4 are -- we have asked the County for an extension of the
5 option to develop that property.

6 That hasn't been finalized yet.

7 CHAIRMAN McCUSKER: We would need a motion
8 to that effect.

9 MR. COLLINS: Correct.

10 MR. SHEAFE: So, so moved that we authorize
11 counsel to execute paperwork for the extension of our
12 option on the Theresa Lee lot.

13 CHAIRMAN McCUSKER: And authorize the
14 executive --

15 MR. SHEAFE: And authorize the executive
16 officers to approve it.

17 MS. COX: Second.

18 MR. IRVIN: Second.

19 MR. SHEAFE: You may not have heard it, but
20 I started off with "I move."

21 CHAIRMAN McCUSKER: All in favor say aye.

22 MR. MARQUEZ: Aye.

23 MR. SHEAFE: Aye.

24 MR. IRVIN: Aye.

25 MS. COX: Aye.

1 MR. HILL: Aye.

2 CHAIRMAN McCUSKER: Any opposed say nay.

3 Thank you for that.

4 Hilton Hotel, Mr. Collins, anything --

5 MR. COLLINS: You have -- Mr. Chairman,
6 members of the Board, you have previously authorized
7 proceeding forward with this project in accordance
8 with a summary that was discussed in executive
9 session.

10 I, yesterday I believe it was, received
11 the draft of the agreement from the hotel. I will
12 work with the executive officers as previously
13 authorized to finalize that. I don't think you need
14 anything else.

15 CHAIRMAN McCUSKER: And nothing
16 earthshaking there; that's moving along and looks
17 good?

18 MR. COLLINS: Yes. I've got to bring it
19 back to you once we get it finalized, but I would
20 expect that to happen at the January meeting.

21 There are some key terms that need to be
22 resolved, but I'll get that resolved with the executive
23 officers.

24 MR. SHEAFE: Just to comment, that whole
25 area, we're going to look back on that in a few years

1 and just be astounded at what has been accomplished.
2 And this hotel is stepping into a pot of gold.

3 CHAIRMAN McCUSKER: 17, let's do that
4 offline.

5 Brandi, if you'll just continue to work
6 with us, we'll get dates and publish them. We have
7 time set aside to call the audience.

8 MR. COLLINS: Are you going to establish a
9 date, or no?

10 CHAIRMAN McCUSKER: No. We're going to do
11 that offline. I don't have time to do that.

12 And we do have a couple of cards.

13 Beryl Baker. Did I pronounce that right?

14 MS. BAKER: Thank you for letting me
15 speak.

16 We grew up in the Menlo Park area, and we
17 saw the landfill which you've previously talked about
18 be made, and we watched the progression of nature --

19 MS. COX: We need your name for the
20 record.

21 MS. BAKER: Beryl Baker.

22 MR. COLLINS: Address, please.

23 MS. BAKER: 2723 South Mission.

24 MS. COX: Thank you.

25 MR. COLLINS: Thank you.

1 MS. BAKER: I now live on the other side of
2 A Mountain, but I grew up in Menlo Park.

3 This is an ill-conceived plan to save money
4 for the County, not truly save the wildlife corridor
5 which already exists.

6 It's like saying all those mine dumpings
7 from the Rosemont Mine will save the environment.

8 It has taken almost three human generations
9 for nature to rehabilitate the landfill with all its
10 diversity of life, including microbes and insects, as
11 well as many different kinds of plants that exist
12 there.

13 This wildlife corridor did not just happen
14 overnight. Driving heavy equipment on the landfill
15 around what trees are pretended to be saved will
16 hardpack the soil around the roots, piling dirt around
17 the trees that will probably eventually slide down.
18 The trunks will eventually smother or kill them.

19 Water harvesting put the water around the
20 trunks, which might then stand around the trunks and
21 may rot them.

22 So the only things this plan proposes to
23 save the trees actually will be in holes that will kill
24 them.

25 And then there is the intricate ecosystem

1 that has taken decades to establish, making this a
2 wildlife corridor so admired by writers who ID
3 themselves as Friends of Tucson's Birthplace.

4 No matter how great plans look on paper, it
5 will take decades again for nature to again heal
6 herself in this area, even with a little help from
7 humans.

8 Why not -- and you've already answered this
9 question, actually. If the soil is so good, which
10 you've just said it wasn't, and land needs to be raised
11 for commercial buildings, instead of put this soil on
12 the land northward waiting to be developed, Rio Nuevo
13 gets its land raised for free, and the wildlife
14 corridor stays what it has become, a refuge for
15 wildlife and plants.

16 If the river soil is not so good for
17 compacting but good for growing, then give it to
18 developers who traditionally have stripped off good
19 land soil before they build and will resell it for soil
20 and make a profit.

21 I urge you not to put the dredge on the
22 landfill. If the intent is to preserve, secure,
23 promote aesthetic natural current plant growth, this
24 plan does not do that. This plan destroys. It should
25 remain open wildlife space in its current state.

1 I would just like to also speak for
2 Josephine, who had to leave for family reasons. Some
3 of the things she has said to me, she also protests the
4 landfill -- covering a landfill with river sand.

5 She has suggested returning the land to the
6 nature and saving it for spiritual reasons and
7 protection of the healed land. She would not like to
8 see the destruction this landfill proposal would
9 cause.

10 And I understand you guys are all about
11 money, but open space helps your development, because
12 it's contingent or beside all of your development which
13 provides the River Park and et cetera.

14 So I really strongly urge you to stop
15 thinking in terms of this is a terrible thing that we
16 have to develop, into this is an amenity that we could
17 potentially use to enhance what you're already doing to
18 the north.

19 Thank you very much, all. I'm an
20 environmentalist, a farmer, and I'm a long-time
21 resident of the west side.

22 CHAIRMAN McCUSKER: Thank you very much.

23 I think that's the only one, Brandi,
24 right?

25 Entertain a motion to adjourn.

1 MR. IRVIN: So moved.

2 CHAIRMAN McCUSKER: Second, please?

3 MS. COX: Second.

4 CHAIRMAN McCUSKER: All in favor say aye.

5 MR. MARQUEZ: Aye.

6 MR. SHEAFE: Aye.

7 MR. IRVIN: Aye.

8 MS. COX: Aye.

9 MR. HILL: Aye.

10 CHAIRMAN McCUSKER: See you in January.

11 Happy Holidays. Have a prosperous 2019.

12 (The proceedings concluded at 3:20 p.m.)

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