RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

BOARD MEETING

Tucson, Arizona
January 29, 2019
1:00 p.m.

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

KATHY FINK & ASSOCIATES
2819 East 22nd Street
Tucson, Arizona 85713
(520) 624-8644
BOARD MEMBERS PRESENT:

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

ALSO PRESENT:

Mark Collins, Board Counsel
Brandi Haga-Blackman, Operations Administrator

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BE IT REMEMBERED that the meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Arizona State Building, in the City of Tucson, State of Arizona, before THOMAS A. WOPPERT, RPR, Certified Reporter No. 50476, on the 29th day of January 2019, commencing at the hour of 1:00 p.m.
CHAIRMAN MCCUSKER: I'll call the meeting to order. It's 1:00 o'clock on the official Rio Nuevo smart phone.

Jannie is going to lead us in the pledge of allegiance.

(Pledge of Allegiance)

CHAIRMAN MCCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Here.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Here.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Here.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Here.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Here.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: Here.

All present and accounted for.

You have the transcribed minutes. You've received the December 11th meeting. They are verbatim. Unless someone has a change or concern, I would move to approve them.

MS. COX: So moved.
MR. MARQUEZ: Second.

CHAIRMAN MCCUSKER: All in favor say aye.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: This is the time we've set aside for executive session. We need a motion to recess.

MR. MARQUEZ: So moved.

MS. COX: Second.

CHAIRMAN MCCUSKER: All in favor say aye.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: We'll see you in 44 minutes.

(Recess)

CHAIRMAN MCCUSKER: Okay. I'll entertain a motion to reconvene.

(Motion made, seconded and passed unanimously)

CHAIRMAN MCCUSKER: We're back in regular session. Thank you for your indulgence. We try to keep executive session at an hour or less. We were dangerously close, so I'll keep my remarks relatively brief and just encourage you to drive around the Rio Nuevo district if you haven't lately. The Cathedral Square project's really unbelievable. The chapel's restored. I believe it's open to the public or will be soon. It's an extraordinary complex. They will have a new 500-seat auditorium and hall that's open to the public. And because of our
investment, they've also committed to a restaurant/cafe on that Cathedral Square, so it will -- the wall came down. It will be open to Ochoa. Ochoa has been winnowed. Rio Nuevo actually bought the street from the city of Tucson to make that happen, so it's quite an extraordinary project.

We are days away from Caterpillar occupying their building on the west side. I think they're looking at a certificate of occupancy for the top floor so they can begin to move into that space.

There's no hotels on the agenda today. That's because everything is progressing for pretty much all the projects we've talked about publicly that we now know as the Hilton, the TCC parking lot, the dual-branded Hilton across the street from the cathedral, Marriott across the street from the Marriott. We're actually talking to a couple of other hotel operators. It's not inconceivable that within two years we could approach 1,000 hotel beds within walking distance of the TCC. So all that's moving forward.

Our friends, the Floreses, opened up Charro Del Rey a couple weeks ago. If you're looking for a great seafood place downtown, I would encourage you to stop by. It's really quite remarkable and quite unusual. It's in the old Ethan Stevens sound shop right across the street.
from the Marriott.

Dan, let's hear your financial update.

MR. MEYERS: Dan Meyers. I'm the CFO for Rio Nuevo.

The summary cash position that you all are used to seeing we've modified -- Chris Sheafe, we modified it a little bit to try to give us a little better long-range picture. So we had about $4.5 million in cash at the end of December, and then we've added a line to that to show our projected revenues for the next year, which gets us to about 8.2 million. And that's under the assumption that we have 1.2 million coming in in TIF funds.

October's TIF revenue was a little over 1.3 million. Historically, going back at least three years, July through October are pretty much our worst months and we got through those months unscathed this year. August and September were down a little bit, but October bounced back nicely. I'm projecting that we're going to have $15 million collected for this calendar year. And prior to that, our best was 13.2 million, so our TIF revenues are up. They seem to be in line with our budget of 1.2 million a month, so it will be 14.4 million.

We never know what's coming next, but the numbers look like they're kind of falling in line as long as we've been tracking them with our new database, so I
think we're in good shape.

You see our known commitments within one year is six million. I think there's a couple things we may save some money there. It looks like the Caterpillar building will come in 100 to $150,000 under budget. And, of course, we're in the process of trying to get the absolute number for the TCC ice plant, and I've heard that could be somewhere between -- closer to 2 million. So hopefully we'll have some savings there.

Down at the bottom of the page, we show some of the projects under consideration or commitments outside of a year. I think it's important to keep an eye on that so we -- as we see our revenues that are coming in for the next year plus our cash on hand, we don't spend more than what we've got coming in, but it looks like the board's doing a heck of a job in investing in downtown Tucson. And the projects, what you just alluded to, I think is very good proof of that.

MR. SHEAFE: So, Dan, just to make it a little more specific, you and I have tried to get everything that we have out in front of us on this page and on the other sheet we're working on so that our fellow board members kind of have a picture of what we're deciding about in front of you, so it's very important that you keep that projected revenue in mind. And the only way we could show
all the negatives is to put where the future is because
the negatives are out in front of us. And so I think it's
a more useful tool than we've had in the past and I
appreciate the way Dan restructured this. But I would
just draw your attention to that number and then come down
and keep an eye on these projects that aren't actually
listed in the calculations because they are out there and
one day we will probably have those kinds of obligations
due. Our objective is to make sure that we never run out
of cash. So thank you. Any other questions?

MS. COX: Great job, Dan. Thank you.

MR. MEYERS: You bet.

CHAIRMAN MCCUSKER: Okay. Let's move on to the
agenda. I'm going to take item nine, the Volvo site, up
first because I think we discussed the legal issues in
exec.

Members, what's your pleasure?

MR. SHEAFE: I'd like to make a motion that we
authorize counsel to conclude the negotiations on the
Volvo site consistent with our discussions in executive
relative to guarantees to loan amounts to repayment
amounts, percentages and the other things we discussed and
bring it back to the executive officers for approval.

CHAIRMAN MCCUSKER: I need a second for that.

MR. MARQUEZ: I'll second that.
CHAIRMAN MCCUSKER: Mr. Hill?

MR. HILL: Mr. Chairman, it references the executive committee, but how do we get that on paper? That's my concern when we talked about that. Those dollar amounts should be in either the motion or --

CHAIRMAN MCCUSKER: What the motion is lacking is authority for the executive officers to execute the --

MR. COLLINS: Mr. Hill raised a great question, but at the last meeting, the numbers were talked about. It's the instructions on the specific items that we discussed in E session that I believe Mr. Sheafe's motion is directing me to proceed in accordance with the instructions that I received in E session with respect to those specific details.

MR. SHEAFE: I do need to amend my motion to include authorization for the executive officers to execute the final document.

MR. MARQUEZ: Second.

MR. HILL: Mr. Chairman, since we have the numbers out before, this instruction is considered one of those solutions for dealing with real estate purchase which does not enter the public realm because we've disclosed our position.

MR. COLLINS: Correct.

MR. HILL: That's what we're doing.
MR. COLLINS: Correct.

MR. HILL: So that it's clear, we're not trying to hoodwink the public or anything like that as some people would like to purport.

MR. COLLINS: No. The numbers that we're talking about were part of the minutes of the last meeting. It's just a matter of lawyering it, if you will.

CHAIRMAN MCCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Any.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: Aye.

So by unanimous vote I authorize counsel to complete that contract and sign it so long as we can hit your deadline.

Okay. We'll go back up to item seven then, the west side parcel. This is probably what we spent most of
our time in executive session talking about. For those of
you who aren't Rio Nuevo regulars or west side residents,
that refers to the affectionately labeled A Mountain
landfill. That's the 29 acres at the base of A Mountain
that is within the Rio Nuevo district and, in fact, owned
by the Rio Nuevo district and the board is responsible for
that site.

We've been kind of stymied with it over the
years because it is an active landfill and still producing
above the legal limits of methane. We now know that
remediation costs for that are north of $30 million and we
pretty much benchmarked that amount. We did remediate the
land around the Caterpillar site, so we pretty much know
it's about a million bucks an acre.

The city also remediated the city-owned land
north of us when we were working on the Caterpillar site.
Their cost for eight acres was about $8 million.

So without a path to fund that kind of
remediation, ultimately I think the ideal situation would
be to clean that toxic waste, clean it, restore the clean
fill and then talk about what we want to do with it, but,
you know, we struggled doing that.

So the county in the meantime is dredging the
Santa Cruz if you're following that. They are removing
silt and sand and dirt and roughage, as they call it, to
keep the adjacent properties under the floodplain. The city does intend to reintroduce a trickle of water into the Santa Cruz at 29th Street flowing north and the county is going to have roughly 80, 85 metric tons of dirt.

What they've asked us to consider is to locate that dirt on the A Mountain landfill site, which could be spread about, bermed, graded and hydro seeded. We talked about that at length in our subcommittee that that's really kind of a bare bones approach. I think a lot of us would like to see more happen over there, but the county's also operating under a timing deadline. The subcommittee recommendation was to allow the county to place and stockpile, I think is the appropriate word, the dirt removed from the Santa Cruz on our 29 acres and we would continue to work together with the county, the west side stakeholders, the state, the city, Rio Nuevo and the Native American tribes to better design something a little more attractive. I think that captured the spirit of the subcommittee.

So you have a recommendation in front of the full board to authorize the county to place -- we haven't exactly figured out where or how, but it would allow us to sit down with the county to allow them to stockpile the dirt removed from the Santa Cruz and no further commitments beyond that.
MR. SHEAFE: Could I ask a question? Carmine DeBonis is here. I assume he's here on this issue. Would it be appropriate to maybe let the county just explain what they're doing?

CHAIRMAN MCCUSKER: Sure.

MR. DEBONIS: Good afternoon, chair and members of the board. Carmine DeBonis, Pima County. I'm the deputy county administrator over public works, so the regional flood control district is one of the departments that falls under public works. The district is working on removing sediment and vegetation from the Santa Cruz River as you indicated to restore flood caring capacity, so as we have worked on this project, it really reaches all the way north to Grant Road. And some of you may already have recognized that work has been done between Speedway Boulevard and Grant Road. That was undertaken as phrase one.

The stretches then that head all the way down to 29th remain to be done. Vegetation removal has begun on that stretch and the county is entertaining this conversation on locations to place a portion of the fill. So overall there will be 180,000 cubic yards of material, but the segments on the southern stretches of it total 80,000 cubic yards that we're interested in placing on the Rio Nuevo landfill site.
The efforts that we've undertaken involved coordination with the city of Tucson. Obviously as the Santa Cruz River stretches through downtown, they have been involved in that process. We've worked with the environmental community, the Audubon Society, the Citizens' Water Coalition, various neighborhood groups in alerting them to the work that needs to be done, so I think there is uniform agreement that the flood risks need to be mitigated and removing the material is critically important. The sand buildup and sand bars contain vegetation, so there is an understanding that vegetation will need to be removed. We've tried to be sensitive in how we've approached that so that there will be remaining stands of mature trees that will provide an esthetic view into the channel.

We've also been talking about opportunities on various sites along the stretch of the Santa Cruz to introduce vegetation into the overbank area, so up and out of the channel. We think that that serves multiple benefits, obviously mitigating further the loss of vegetation in the channel itself but, you know, it helps to beautify the areas and serve as a buffer to the uses adjacent to the river. So we have had conversation.

And Suzanne Shields, our director for the regional flood control district, is here. She was present
at the subcommittee meeting, provided a lot of technical input in answer to questions. She's here again today if anyone would like to get into those details. But we see this as an opportunity to not only restore the flood carrying capacity in the channel but also extend an amenity. And I understand as the conversation has taken place, it's been the struggle between the potential development of that site and introducing an amenity. It's the condition of the landfill.

Suzanne Shields formerly ran the solid waste department or division of Pima County so understands landfills, has been involved in remediation of a number of sites in unincorporated Pima County. We have had success on properties that we own where we have covered and have introduced vegetation and think with the proximity to the loop that this site provides an opportunity to extend recreational opportunities -- passive recreational opportunities onto the site subject to working with the district to come up with an acceptable layout. And then that leads potentially to other compatible uses that the site can be applied to.

So with that, I'll answer any further questions you have or, if we need to, we can invite Ms. Shields up to respond as well.

CHAIRMAN MCCUSKER: Carmine, you made know the
answer to this question. The city removed the trash from
the northern sections the city owned in and around
Caterpillar, but they didn't refill it. When we hauled
trash out, we brought clean fill back. Has there been any
conversation that some of this could go in that hole? Is
there any desire on the city to use any of this for that?
Is some of the other removed sand, silt, dirt going to go,
or do you know the answer to that question?

MR. DEBONIS: Yes. So the city has indicated
an interest if this material was not able to be placed on
the A Mountain landfill site that they have receiving
locations, including one that you mentioned and a variety
of others. The county is also prepared to take material
further north, so as part of the cleanup of the segment
from Speedway to Grant, we deposited material in what
we're calling Meander Bend Park. So it's a large pit
essentially that is adjacent to the business park up near
Grant Road and that is an alternate location as well. But
there are plenty of opportunities for placing of the fill
if this were not to be decided an option that would be
pursued.

MR. SHEAFE: Well, are you wanting to put it on
the 29 acres because it's a little less expensive than
putting it in the hole?

MR. DEBONIS: So transportation costs are the
big factor. And because of the proximity of the A
Mountain landfill to the southern stretches and the
cleanup of the Santa Cruz, yes, we would desire to save on
those transportation costs.

MR. SHEAFE: If I owned a hole and I want it
filled and I have somebody with dirt, I would be pretty
anxious to get that dirt in my hole because were you to go
buy that dirt and do it at a later date is an enormous
expense. Why hasn't the city been a little more
aggressive saying, please, let's fill our hole and then
put the remainder on the (inaudible).

MR. DEBONIS: So the city has expressed
interest, as I had indicated. They felt that if a
community amenity could be developed as a result of the
placement of the fill on the Rio Nuevo district owned
site, that they would be supportive of that. They did not
want to place competing options in front of the county in
terms of determining where the material would go.

From the outreach standpoint, we have not
discussed that particular location in great detail with
the neighborhoods and would certainly want to work with
the city, which they understand. If this option were not
available, then we would regroup with the city, we would
reach out to the neighborhood contacts again and we would
have a conversation about their site.
CHAIRMAN MCCUSKER: You had mentioned that the 80 cubic yards -- 80,000 cubic yards is not all of the fill, so is there not enough dirt to do both that we could -- we could restore the city remediated areas and place a similar amount on the A Mountain landfill or --

MR. DEBONIS: So as we -- we launched the project on the segment from Speedway to Grant Road, we had had outreach to the neighbors and indicated that we would be filling that Meander Bend hole and that we would be developing that into an open space park. So the material that came out of the Grant Road -- Speedway to Grant segment did not completely fill that, so the portions of sediment that are on the northern stretches of these next phases we would like to utilize there to fulfill the commitment that we made to those neighborhoods.

CHAIRMAN MCCUSKER: That makes sense. Thank you.

Any questions for Carmine?

Mr. Irvin.

MR. IRVIN: So I understand that the -- the hole that the city has is about 100,000 cubic yards. And now, as I understand it, we're talking about 800,000 cubic -- excuse me, 80,000 cubic yards here. I also was reading some stuff, and I guess in addition to that to make this, quote, dirt useful, it has to be mixed.
Do you know what sort of ratios and what sort of mixture has to occur to make it where something would grow on it?

MR. DEBONIS: So I'm going to defer to Suzanne on more of the technical aspects, but there's vegetative material that's coming out of the Santa Cruz, so the idea was that that material would be shipped and mixed in with the sediment and then hauled out simultaneously. So that was a factor as well as we were talking with the city of Tucson and alerting them we were not going to be separating out those organic materials from the sediment materials. And their vision for filling the hole that they have on their site is subsequent development, so that poses a different profile of material that may be ideal for -- for placement on that site.

So Suzanne can talk to the mix ratios. I think that it's taking the existing vegetative material rather than hauling that out separately, breaking it down on site and mixing it in with the material to give it some organic content that then could support then reseeding and subsequent vegetation.

MR. IRVIN: So it sounds like it's significantly more than the 80,000 cubic yards that's going to be used for that, or no?

MR. DEBONIS: So I'm going to let Suzanne speak to that, if that increases the volume. I think the
estimate --

Oh, there you are.

CHAIRMAN MCCUSKER: Suzanne, introduce yourself for the record, and then Mr. Irvin's question was to the mix of soil additives.

MS. SHIELDS: Okay. My name's Suzanne Shields. I'm the director of the Pima County Regional Flood Control District.

We have looked at the soil that we're going to be removing and have done some geotechnical testing along the way, including chemical testing because we wanted to make sure it was clean fill. And it is clean fill.

One of the material would go into the city's hole there, the Norbert (ph) landfill, I believe it was, or on the A Mountain landfill. There would have to be additives. You've got to understand that they want to build a building on this material. It is more sand and may not have the kind of cohesion that they would want.

When we estimate our cubic yards for bidding purposes, we're estimating in terms of the haul. And I think people familiar with construction, when you compact, the volume goes down. We would not be putting in a large amount of organic. We would chip up some organic. The idea is to keep the soil so it can be aerated. I think right now nothing is -- a lot of things don't grow where
there's been heavy traffic and the soil there is not aerated. And yes, there is landfill gas. I think the one that bothers the plants the most is carbon dioxide, so you want the soils to be aerated.

We've done this in other locations. It -- I -- I don't see us doing more than, say, 5,000 cubic yards of chipped material. It would be really loose and just mixed in with the sandy material.

MR. IRVIN: So some of the initial studies that I had seen, some of the stuff that I read, talked about needing to lay four feet of fill on top of this site. That doesn't sound like that's correct math to me. That's like saying we're close to that. Where did that number come from? Am I wrong in seeing that? I've seen some stuff that talked about four and a half feet of dirt that you guys needed to spread across 29.22 acres. Is that not correct?

MS. SHIELDS: Because of the existing landfill gas monitor sites where there's a major sewer line and there's the Kinder Morgan pipeline, there's some constraints on where we can put the material, so we are not spreading it evenly across the whole site. The idea is to make it undulating so it can -- when it gets revegetated, it will look nice. It won't just be a flat surface. So in some cases, the -- the height might go as
much as six feet, and then it would taper off to nothing, so --

MR. IRVIN: You talked about a bunch of the sites that you guys have currently remediated. Have any of those sites been used for anything but a park?

MS. SHIELDS: They've been used for parks.

MR. IRVIN: All right. So every one that's been remediated so far is currently being used as a park?

MS. SHIELDS: Yes.

MR. IRVIN: Okay. A couple of other questions. So I was under the understanding that by being able to distribute this dirt across the former landfill site, that it was going to save the county about $250,000, I think the number is. And I was reading through some stuff and noticed that the estimate to take -- was about $40,000 to reseed these areas and do them properly. It sounds to me like that's four, maybe six acres worth of area that we could encompass with that formula. Do you agree with that formula? I've seen that a couple of times. And how do you spread that kind of cost across a big site like that?

MS. SHIELDS: Okay. What we have talked about was that we would take that 250,000-dollar savings and use it on the site to, one, hydroteed just because you have to control the dust but also working with the district to
come up with some kind of landscaping plan so that you get something more.

MR. IRVIN: But I guess my point is, what I had seen, unless I misread something or what have you, the numbers that I saw was the estimates were 30 to $50,000 per acre to reseed and reintroduce vegetation and what have you. Unless I was mistaken, I thought people had agreed that $40,000 was a pretty reasonable number. And based on the $250,000 that you're talking about that Pima County's is going to save and then distribute it across the landfill site, it's going to allow us to take care of six of the acres unless my math is incorrect.

MR. MARQUEZ: So there's some clarity for Mark, I apologize to butt in here, the 40,000-dollar figure was Ken Kavanaugh's number and that was from soup to nuts. That was to take it from a blank piece of land including -- that value also included what Pima County was going to -- to do, the work they were going to do. They included the cost of the sand, the silt, the vegetation, the moving of the land -- sorry, moving the dirt across the land. That was just a total, total number. So what we were talking about was trying to get it to look like what Prickly Pear Park looked like, which is a beautiful park, great asset for the community, and then with Ken Kavanaugh's piece and also in working with Pima was to try
to see what kind of upgrades which could take us to a whole 'nother level of asset compared to what Pima County was looking at with Prickly Pear Park. We had some opportunities to really build something beautiful there, but the 40,000 was before even Pima County (inaudible).

MR. IRVIN: So what happens when and if we are successful maybe in advancing the plan to do a planned area development on the west side that would incorporate this area as well and we say to Pima County, hey, we don't want that dirt anymore. What happens to it. Is that now on the district's responsibility to haul that off? And if I'm not mistaken, based on my simple math, that's probably close to $8 million that we would absorb as the deficit.

MS. SHIELDS: We -- we'd have to reach an agreement with you. We're just trying to deal with some ideas. I believe what we're talking about is doable. And, as Carmine said, we also need to do some mitigation because we're taking vegetation out of the channel, which is under a 404 permit, so in addition to the 250,000, we were looking initially at doing more vegetation.

At the same time, I understand there's a need for parking, there will be other things like pathways that we would envision, so you're not looking at the cost of vegetation for the whole 29 acres. There may be areas that -- that Rio Nuevo wants to hold onto because the
depth of the waste is not as deep. The one -- the
northeast portion, it's over 40 feet deep, which is much
deeper than what Caterpillar or the Norbert landfill area
was.

MR. IRVIN: I've seen the surveys and I know it
slopes in and I know that the cost to remediate is roughly
a million dollars an acre. So under your plan, do you
envision that this would ever be used for anything in your
mind but a park?

MS. SHIELDS: It's possible that it would
remain a park. It's possible it's a temporary, and then
at some point in time, if there's a need for development,
you still own the property.

MR. MARQUEZ: I think if I were a lawyer, I'd
yell speculation. You know, one thing that we were clear
about -- right, Mr. Lawyer? One thing we were clear about
in the committee meeting is this a great opportunity that
Pima County is bringing to us. They're not really asking
us for any money at all to do this. Obviously, we can
have a grand plan and we can invest some, if we like, in a
retail component and possibly make, you know, some
upgrades. But we were very clear in the committee meeting
this could be developed in the future. But there is a 25
to 30 million-dollar starting point just to -- we say the
word remediate, but just removing the trash. You have
just to get to a starting point to develop anything, have to spend 25 or $30 million. And then once you get there, you have an R1 or R2 zone, which is homes. And we're into sales tax and homes don't generate sales tax, so there's some pretty big hurdles in our way. We're just kind of looking at what the opportunity is today with Pima County because we really haven't had a plan because of those big hurdles and I don't really think we have a plan other than this than to just leave it looking like --

MR. IRVIN: I'd like to ask a couple of questions --

CHAIRMAN MCCUSKER: Don't talk over each other. Let Mr. Marquez finish.

MR. MARQUEZ: If you feel a need to jump in before --

MR. IRVIN: You kind of jumped in on the middle of me as I was trying to go through some stuff, so you're entitled to if you want to.

MR. MARQUEZ: No, go ahead.

MR. IRVIN: I guess -- I guess the last point that I want to make is, as I had understood things, part of the impetus to get things moving quickly was the hurdles that we're currently facing given the contract which you've been working on for some time but we were only privy to in December. But now that you have another
place that you could park this at the city, in the city's
gap, it seems to me like that issue and that urgency to
make something happen has gone away. In fact, not only
has it gone away but it solves a big problem with the city
as well if I'm not mistaken.

CHAIRMAN MCCUSKER: You may have misunderstand
that. I think that question was asked and answered. The
kind of dirt the city would want in their hole is
basically sifted. It's clean dirt, no roughage, no
organic material, you know, so you can't just throw this
dirt in that hole. I got that.

MR. IRVIN: I think it's got to be mixed like
ours would have to be mixed --

CHAIRMAN MCCUSKER: I think it would have to be
unmixed. I think you'd have to separate the roughage so
that the dirt that goes into that hole is clean fill. So,
you know, that would be tremendously more expensive than
just taking dirt out of the river and putting it some
place.

So to your point about the park, I think the
answer to that question is yes. If we opt to do this, the
chances of that ever being anything but a park are pretty
slim.

MR. IRVIN: Right.

CHAIRMAN MCCUSKER: And now you've got to tear
down a park in order to build anything commercial on it. And Edmund's right, it is currently zoned as residential, so, you know, this is -- it's not an easy question by any means, but I don't think putting the dirt in the city's hole is an option.

MR. IRVIN: I don't think we know enough about the mix of that dirt to know what needs to be mixed with it because we can't. We haven't studied it like we haven't studied this issue.

CHAIRMAN MCCUSKER: Any other questions for Suzanne?

Mr. Marquez.

MR. MARQUEZ: I move we allow --

CHAIRMAN MCCUSKER: Hang on. Are we done with the county?

MR. MARQUEZ: Yes. Thank you very much.

CHAIRMAN MCCUSKER: Thank you very much.

Okay. Mr. Marquez.

MR. MARQUEZ: I move we allow Pima County to move their sand and silt from the Santa Cruz onto our A Mountain landfill directing counsel to execute such agreement with the county.

MR. COLLINS: I think, Mr. Marquez, that you want me to write it and that the executive officers would be the ones to execute.
MS. COX: Or the committee.

MR. MARQUEZ: Or the committee.

MS. COX: We have a committee. Why don't we just use that?

CHAIRMAN MCCUSKER: A committee cannot act on behalf of the full board, so --

MR. COLLINS: That's true.

MR. MARQUEZ: All right. I move we allow Pima County to move their sand and silt and stockpile it on our A Mountain landfill.

MR. IRVIN: Point of clarification before anybody seconds that. When you say place it on our site, is that anywhere on our site, is directed on the site, on the end of the site that maybe could be the equestrian piece? I mean, what does that motion mean?

MR. MARQUEZ: I don't know which exact spot that we want to put it on. It would be nice if we had a discussion with Pima County, which was kind where we were going.

MR. SHEAFE: Would you accept an amendment then?

MR. MARQUEZ: What would be the amendment?

MR. SHEAFE: The amendment would --

MS. COX: We don't have a second.

CHAIRMAN MCCUSKER: We don't have a second for
that motion yet. We have a motion --

MS. COX: Second.

CHAIRMAN MCCUSKER: Okay. Now you have a
motion and a second.

MR. SHEAFE: The amendment would be that
counsel be authorized to negotiate with Pima County to
place the dirt in a manner that would not preclude other
development in the future and to concentrate the dirt as
much as possible in one location rather than spread it out
over the entire site.

Sidebar, if you take 80,000 yards, that's going
to cover about 16 acres at four feet deep. At six feet
deep, all of a sudden you're talking about, you know, nine
or 10 acres. So in any case, we're not talking about the
entire property. So again, sidebar.

CHAIRMAN MCCUSKER: I'm sure if we got into the
dirt engineering business, I think it can be as simple
that the county can place the dirt on our land with our
agreement as to where they place it. A lot of work's got
to go into where you put it and how big it is and is this
a pile that has to be maintained and dust proofed and
fenced. You know, these are not questions we're going to
answer today.

MR. MARQUEZ: So the amendment is where we
agree that they place it?
CHAIRMAN MCCUSKER: The motion is to basically adopt the recommendation of the subcommittee to allow the county to place the dirt removed from the Santa Cruz on our site. Probably the amendment that you want is with mutual agreement with Rio Nuevo just as to the location, and then we can help them decide where to put it.

MR. MARQUEZ: Can I just simply say so moved?

So moved.

MR. IRVIN: Is there anything in that motion relative to liability, responsibility, any of that, or is it just park it on there and off we go? I mean, liability-wise, how are we handling that issue?

CHAIRMAN MCCUSKER: Let me confirm with Robert's Rules of Order here first. So he basically made a motion over his original motion.

Is that a replacement motion?

MR. MARQUEZ: Yes.

CHAIRMAN MCCUSKER: And the second agreed with that, so we have a replacement --

MR. HILL: Subsequent.

CHAIRMAN MCCUSKER: -- subsequent motion.

MR. COLLINS: And just for everyone's recollection, this board has not adopted Robert's Rules of Order.

CHAIRMAN MCCUSKER: We adopt --
MR. COLLINS: Thank you for not doing that.

CHAIRMAN MCCUSKER: We adopt Jeff Hill's.

Okay. I think we have a motion and a second that provides for the county to place the dirt they remove from the Santa Cruz on our site, location subject to our approval.

Any further discussion?

(No oral response).

CHAIRMAN MCCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: I'd like to explain my vote. I'm going to vote no. And I'll tell you why I'm going to vote no, not because I don't appreciate having a chance to work with any other municipality, what I'm bothered by is the lack of planning and somebody's lack of planning becoming our new emergency on this board.

I'm also kind of amazed that we don't tap the brake pedal for a second and realize that adding this dirt on top of that is an expense to the district, could be an
expense as much as eight to $10 million and I do think it will impact this going forward.

As I've said, as much as I love and appreciate everything that this board has done and, as you guys know, I'm almost nine years on this board, one thing that I've always felt is that our legacy -- initially I thought it might be hotels, then I thought it might be some of the stuff we're doing with employment, and then I thought, well, maybe it's going to be what we're doing with the TCC. In my humble opinion, our legacy really is in giving this community 30 acres of developable land on the west side of town right next to Caterpillar, right next to where the city has already remediated eight acres so they can do some of the stuff that they think is important on that site.

We have a duty and a responsibility to raise TIF income -- excuse me, TIF revenues and this is a great opportunity for us to sit down as a community and try to decide what we'd like to do with this site. We've got a lot of stakeholders in this and I think they should all be consulted. I think it's neat when you have a chance to go into a development and do not have a preconceived notion, but you really have a notion that what you'd like to do is to deliver to the city, to our community, 30 acres of developable land.
Yes, is it $30 million? Yeah, it is $30 million. Have we taken any time really to go out and look at Brownfield monies and what things that we might be able to secure? No, we haven't. Have we had an opportunity to visit with some of our legislative leaders, yes, we just started that discussion. I'd like to see us sit down with our stakeholders and say, hey, what should we do with this 30 acres. Should we sit down as a community and plan it, should we not just go off on a one-off park situation where we have this open space that's really unusable other than as a park. There's a reason stuff doesn't grow on it. It's methane producing and any time any tree penetrates that cap, it's going to die.

So I don't know enough yet to vote for any of this. I think this is something that's being kind of rushed through in a manner that we have not had a chance to look at. I think it's one of those things that, if this goes forward, we really are taking away any opportunity that we have as a community to create a 30-acre developable site downtown with the full impact and influence of our community to go get that done.

So with that, I vote no.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Aye.
MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: That's four aye votes, so I will vote no and explain why. The motion's going to pass four to two.

I agree with Mr. Irvin to the extent that this is not the vision or legacy that I would like us to leave. However, that vision or legacy may not be achievable. I have always fought to remediate this land, to master plan it with the northern sections to really build something iconic. The city's land and the Rio Nuevo land on that west side are as big as our current downtown.

I stood on top of A Mountain with a developer from Portland and he went, oh, my God, you have 50 acres connected to (inaudible). There's no place in the country that has that kind of amenities. We can't develop it. We couldn't develop it because of the land. You know, some sort of a mix with these historical assets and residential and cafe, I mean, there could be a really neat development over there.

I don't think the dirt is going to prevent us from doing that. I think we should get after a possible remediation plan, talk to the feds, talk to the state, talk to whomever. And in the event that that is never affordable, then to have a park -- respectable park with some proper amenities and some return on our investment is
probably not a bad idea. But I would like to do the
latter, but I don't think putting that dirt on there is
going to make a dig difference. But the motion passes
four to two.

MS. COX: And I'd just like to say something,
that I agree fully with what you have just said, Fletcher,
that by putting the dirt on there, we create something
that is certainly more attractive than we have now. It
makes the area more liveable. And it doesn't need to be
permanent. And there may be an expense to remove that
dirt if we wanted to clean the landfill, but there's
also -- I would think it would make more sense if we want
to clean up under it, we move that dirt aside, clean up
under it and put it back, so -- I can't imagine that would
be that expensive, so I --

CHAIRMAN MCCUSKER: Okay. Here we go. We're
moving dirt.

Mr. Collins, you'll communicate that to the
county?

MR. COLLINS: Yes, Mr. Chairman.

Before you move on to any other agenda items,
the west side parcel is -- the language is broad enough.
As you may know, Geotech, a local company, has been -- has
offered to and is in the process of making a Brownfield
application on this property. The executive officers have
authorized that to date, it's no expense for this board, but I think it would be appropriate for the board to --

CHAIRMAN MCCUSKER: What is the timing on that? Is there a deadline? Is it due before our next meeting?

MR. COLLINS: Yes. As I understand it, the application needs to be made by the 31st of this month. And I believe that they're ready to go, but they need a formal approval from you.

MR. SHEAFE: That doesn't have anything to do with where the dirt's placed. That's an entirely separate item.

MR. COLLINS: I certainly can coordinate that with Geotech, where they're going to apply that Brownfield.

MR. SHEAFE: We have an interest in that kind of grant, so do you need a motion?

MR. COLLINS: Yes.

MR. IRVIN: It's not on the agenda.

CHAIRMAN MCCUSKER: I mean, he's our lawyer, but I am concerned that we really haven't looked at this. We haven't talked to the people who are writing it. There's been no real public disclosure of all this, but if we don't do something today, they will not -- they will not be able to apply in time for the deadline.

Can we approve it and have the option later to
withdraw it?

MR. COLLINS: Yes.

MR. SHEAFE: We could reject it.

MR. COLLINS: Sure.

MR. MARQUEZ: We actually had a public disclosure. We had a meeting with the west side folks and we had a full discussion about --

CHAIRMAN MCCUSKER: Not a meeting of the Rio Nuevo board. And I really don't like putting things out there that we haven't looked at. It's more, you know, throwing stuff on the wall. But given the nature of the deadline, you know, let's --

MR. SHEAFE: Do you want a motion?

CHAIRMAN MCCUSKER: With the idea that we can -- and we'll put it on the agenda for the next meeting. And if we really don't want to do it, then we'll have the opportunity to withdraw.

MR. IRVIN: Is the language in item seven, the west side parcel, broad enough to allow that, Mark?

MR. COLLINS: I believe so.

MR. IRVIN: So you could probably make a motion, Chris, if you want.

CHAIRMAN MCCUSKER: Yeah. I don't like backing into vague language. I would like to see it and hear it and ask questions about it and, you know, do that in a
transcribed public meeting.

But, Mr. Sheafe, if you want to advance it subject to its withdrawal, let's go for it.

MR. SHEAFE: I move that we authorize counsel to authorize the parties that are interested to move forward on the Brownfield application knowing that we're under no obligation to accept the funds if the application is approved and it will come back to the board as to whether or not we accept the funds.

MS. COX: Second.

CHAIRMAN MCCUSKER: Clear?

MR. COLLINS: Clear.

CHAIRMAN MCCUSKER: All right. Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.
CHAIRMAN MCCUSKER: Aye.

So we're going to get a grant that we don't know anything about. It's not the way you run a railroad, but it's a nice UTube moment.

The TCC, we have indeed -- we have an RFQ for the new ice rink. We had responses for that. We have met and created an awardee, Mr. Collins, so what do we need to do here to advance the ice rink?

MR. COLLINS: Well, as you mentioned, the RFQ was issued yesterday. The interviewees were ranked. And that notice is now on your web page with the number one ranked proposing group being lead by Lloyds Construction, GLHN and Simco. And then Rink Tec was the second interview -- ranked the second interviewee. I have advised both of the proposers and requested from the Lloyds group their initial proposal for the pre-construction numbers.

So I believe you've authorized all of that.

You authorized the issuance of the RFQ. The RFQ has gone out. The evaluation committee has evaluated. The next step is going to be to sign the agreement -- negotiate and sign the agreement. I think it would be appropriate, should you so desire, to authorize the finalization of the contract with the highest rated proposer and execute that contract.
MR. SHEAFE: So moved.

MR. IRVIN: Second.

CHAIRMAN MCCUSKER: Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: Aye.

That's approved unanimously. Just to be clear, this is replacement ice for the current hockey rink.

We're not building a new ice rink. This replaces the refrigerant and the concrete and the chilling system at the TCC. And it is about a two and a half million dollar estimate.

MR. SHEAFE: It's worth noting that there's a very tight timeframe for getting all this coordinated, the Road Runner's schedule and the other schedules, so we are having to fit this in rather precisely.
CHAIRMAN MCCUSKER: It would be a real adventure if our team makes the playoffs and our football makes the playoffs. But they offered to work three shifts if that was the case.

Duplex, just to paraphrase the possible action, our friends from the Project for Public Spaces, who we are working with in earnest on the Sunshine Mile, have presented us with a proposal to help vision the so-called Presidio district in the duplex. And I think we've seen that proposal and it has an amount attached to that, so what is the members' pleasure?

MR. IRVIN: Motion to approve.

MS. COX: Second.

CHAIRMAN MCCUSKER: Do we know the amount?

Let's just get that into the record.

MS. COX: $45,000.

CHAIRMAN MCCUSKER: All right. Thank you. The motion and second is to approve the PPS --

MS. COX: 48.

CHAIRMAN MCCUSKER: -- proposal for $48,000.

Brandi, call the roll.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.

MS. COX: Aye.
MS. HAGA-BLACKMAN: Chris Sheafe.

MR. SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

MR. IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeffrey Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN MCCUSKER: Aye.

So we've set time aside for a call to the audience. Any requests?

We allow late hand raisers.

Diana, come on up.

MS. HADLEY: I just want to thank you on behalf --

Diana Hadley from the Menlo Park Neighborhood Association and Friends of Tucson's Birth Place. And I wanted to address the no vote and to thank everybody for voting the way that they did and for expressing your opinions on the A Mountain landfill.

And I just wanted to mention that the reason that the Rio Nuevo board exists is because of Proposition 400 that was passed with a 67 percent margin in 1999 for the preservation and the development of Tucson Origins Heritage Park. And the legacy that this board can leave that will be unique in the entire United States is to
protect the birthplace of Tucson. We have 4,100 years of
agriculture. It's the longest continuously farmed area in
the entire United States. Corn agriculture came here
before it came to anywhere else in the United States.

This is a really important legacy. We have
open space that reaches from the A Mountain landfill all
the way to the Avra Valley. And preserving that and
preserving a wildlife corridor and a native plant corridor
is a real treasure that makes Tucson unique in this
country and will attract and draw tourists from all over
the world. And I want to thank you for making this first
step in -- in engaging the largest parcel of open land
that's left in the area as the beginning of the true
Tucson Origins Heritage Park.

Thank you so, so much. It's an incredibly
popular program with all of the residents of Tucson and
the west siders will be ecstatic when they hear this news.
Thank you.

CHAIRMAN MCCUSKER: Thank you.

Raul.

MR. RAMIREZ: My name is Raul Ramirez, west
side resident. And I want to comment on some of the
things you're saying in terms of the importance of this
site from a historical perspective. I've come before and
spoken about the cultural aspects that include Tumamoc and
the Birthplace of Tucson. I just want to say that the presentation by Geotech was well received by the folks from the Menlo Park area, and we understood that there's a possibility half a million would be used and that Brownfields are used for -- to restore land for economic development.

Obviously that's not very much money considering the totality and the pricing out of one million per acre for the cost of remediation or removal, but it's a start. And there's some ideas that have to do with Mission Lane and the property in that area next to the Carrillo house, that that money could be used for remediation. And I think there's opportunities there for some sort of development. And I'm talking about small scale, coffee shop, something that would meet the requirements.

But I think as far as from my perspective in terms of a legacy, yes, there is a legacy for development. And I mentioned to you that you've done a great job, but I think the part that needs to be developed more is -- and that's the rationale for why Rio Nuevo was initially created almost 20 years ago, by the way, November of '99, so we're almost coming up to the 20 year anniversary. So I think there's that opportunity.

So I guess from a different perspective, you
know, I look at it from development of 20 acres. Maybe
Mark -- I would agree with Mark, but if I look at it from
historic preservation and the importance of A Mountain and
Tumamoc and the birthplace, then I would definitely agree
with that. So thank you.

CHAIRMAN MCCUSKER: Raul, thank you.
Anyone else from the audience?
(No oral response)
CHAIRMAN MCCUSKER: I'll entertain a motion to
adjourn.
(Motion made, seconded and passed unanimously)
(3:07 p.m.)
STATE OF ARIZONA )
          ) ss.
COUNTY OF PIMA )

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

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

Dated at Tucson, Arizona, this 10th day of February 2019.

_____________________________
Thomas A. Woppert, RPR
AZ CCR No. 50476