RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

BOARD MEETING

Tucson, Arizona
February 26, 2019
1:00 p.m.

REPORTED BY:
John Fahrenwald, RPR
Certified Reporter No. 50901

KATHY FINK & ASSOCIATES
2819 East 22nd Street
Tucson, Arizona 85713
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BOARD MEMBERS PRESENT:

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

ALSO PRESENT:

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

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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 Tucson Convention Center (TCC), in the City of Tucson, State of Arizona, before JOHN FAHRENWALD, RPR, Certified Reporter No. 50901, on the 26th of February, 2019, commencing at the hour of 1:00 p.m.
CHAIRMAN McCUSKER: Call this meeting to order. It's 1:06 by the official smart phone.

Brandi, call the roll:

MS. HAGA-BLACKMAN: Edmund Marquez?
MR. MARQUEZ: Here.

MS. HAGA-BLACKMAN: Jannie Cox?
MS. COX: Here.

MS. HAGA-BLACKMAN: Fletcher McCusker?
CHAIRMAN McCUSKER: Here.

MS. HAGA-BLACKMAN: Jeffrey Hill?
MR. HILL: Here.

CHAIRMAN McCUSKER: And we understand that Mr. Irvin and Mr. Sheafe are inbound. We do have a quorum.

You have the transcript from the January 29th meeting.

We need a motion to approve.

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

CHAIRMAN McCUSKER: All in favor say "aye."

(Ayes.)

This is the time we set for Executive Session. We need a motion to recess.

MR. MARQUEZ: We missed the pledge.

CHAIRMAN McCUSKER: Mr. Hill.

(Pledge of Allegiance was recited and lead by
Mr. Hill.)

I think I had a motion and a second for Executive Session. We go to Executive Session right away. It takes 45 minutes to an hour -- if you are here for something special.

(Whereupon, the Board recessed for Executive Session.)

(The Board reconvenes for Executive Session at 2:16 p.m.)

CHAIRMAN McCUSKER: I'll entertain a motion to reconvene.

MS. COX: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say "aye."

(Ayes.)

We're back in business. Thank you. As soon as you settle in we'll get to work.

Most anything I would have to say in remarks, we're going to cover today. So I'm going to move straight into the agenda.

Dan, do you want to start with your financial report?

MR. MEYERS: Dan Meyers, the CFO of Rio Nuevo. So at the end of January, we had about $4.6 million of liquid cash. As we project a year out, we expect to have
about a $3.7 million excess. So that gets us kind of looking into next year, about $8.3 million available to put to good use.

Towards the bottom of the page, we have our known commitments within one year. That's 6.7, but that also includes the TCC ice plant, which we're hoping to get financed. And then down below that you see a few projects we are consider that probably fall outside the one-year parameter.

We had a nice TIF collection in January, which was for November sales: 1.6 million. Our budget is 1.2, so that was a nice month. And we're on a clip this year for the calendar year to exceed $15 million in TIF revenue.

Our budget for the fiscal year is 14.4 million so we're just slightly ahead of that. So we're hopefully the next six months -- will be equally as good.

Anybody have any questions?

TREASURER SHEAFE: Just for the purpose of the audience, you might mention that we also have some bond payments. So that 14.4 might mislead somebody thinking there's fourteen-four available dollars.

MR. MEYERS: Right. We've got about an $8 million annual debt service.

CHAIRMAN McCUSKER: -- 20, 25.
MR. MEYERS: Correct.

Any questions for Dan?

TREASURER SHEAFE: Notice when the questions go down, the income goes up?

MR. MEYERS: I like that.

CHAIRMAN McCUSKER: Must be the Treasurer. Sunshine mile. I think it's just a quick update from us. We are waiting for title to some 40 properties on the north side of Broadway. We expect them in the next 30 days.

We are going to go ahead and launch a proposal to move the bungalows. Those 7 bungalows are in the right-of-way, so we are working on a proposal to relocate them. The rest of that will occur over the next several months as we take title to these properties to renovate and activate them.

Mr. Collins, I don't think we need anything else on the Sunshine Mile, do we?

MR. COLLINS: Agreed, Mr. Chairman.

CHAIRMAN McCUSKER: Item 8, Caliber. We do have some issues to discuss. Counsel, if you want to go through this. This is the -- now what we know to be the DoubleTree Hotel project at the convention center in that corner.

MR. COLLINS: Mr. Chairman, Members of the
Board, as you recall, you have been working with Caliber for quite some time now on the agreement necessary to have them build what will now be approximately a 175-room hotel on a portion of the TCC property that is currently unused.

The terms of that transaction have been reduced to an agreement which -- the final terms of which we discussed in Executive Session. The builder, Caliber, wants to commence construction in April of this year.

There are some requirements. We need to have approval from the mayor and counsel for this; and we need to have bondholder approval. But more importantly for today, I need from you -- if you're willing to so do, a motion-pass that authorizes the finalization of the lease in accordance with what we discussed in executive session.

CHAIRMAN McCUSKER: So we might just remind the public that what we're doing is carving out the site that the hotel will occupy that, removing that from the lease that we enjoy with the City of Tucson. And then we will lease that property directly to the hotel.

MR. COLLINS: Correct. It will require the -- currently, the trust -- or a trust owns the property; it is leased to the District. The District, in turn, subleases it to the City. We're going to undo those two leases and then we will convey that parcel to Caliber with a reversionary interest, the piece that you've talked about.
CHAIRMAN McCUSKER: And they get a GPLET?

MR. COLLINS: Ultimately, yes.

CHAIRMAN McCUSKER: And they get a tax rebate?

MR. COLLINS: Correct. All of which you've approved --

CHAIRMAN McCUSKER: -- from previous meetings, right.

TREASURER SHEAFE: I move that we authorize counsel to conclude the negotiations along the lines that we've discussed in executive, and try and finalize this old deal.

MR. COLLINS: And authorize executive officers.

TREASURER SHEAFE: Authorize the executive officers to approve it once it's in completed form.

MR. COLLINS: Correct.

SECRETARY IRVIN: Second.

CHAIRMAN McCUSKER: Okay. We have a motion to advance the agreement subject to no substantial changes.

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.
TREASURER SHEAFE: Aye.
MS. HAGA-BLACKMAN: Mark Irvin.
SECRETARY IRVIN: Aye.
MS. HAGA-BLACKMAN: Jeff Hill.
MR. HILL: Aye.
MS. HAGA-BLACKMAN: Fletcher McCusker.
CHAIRMAN McCUSKER: Aye.
(The Board voted and motion carries 6-0.)
So we pass that unanimously.
CHAIRMAN McCUSKER: Item 9. 35 East Toole.
We have approved this project. We have the GPLET now finally done, condition of activating a restaurant at Toole and 7th Avenue that we helped the County open up their garage across the street. So we've discussed some terms that enable that. We also discussed this in Executive Session.
TREASURER SHEAFE: Mr. Chairman, may I suggest we just table this item. We've got some serious questions that need to be taken care of. No reference to the parties involved, it's just the way things work the most fruitful would be to just table it.
CHAIRMAN McCUSKER: You could table it, which mean we got to bring it back in March. Or you could authorize the executive officers to complete the
negotiations. I'm concerned about delays for the developer.

TREASURER SHEAFE: Sure. I'll move that we move this Item 9 forward on the basis that the executive officers will work to solve the problems and, if possible, a completed arrangement and --

MR. COLLINS: Execute the --

TREASURER SHEAFE: -- authorize the executive officers to sign it if counsel can put the documents together.

CHAIRMAN McCUSKER: The attorney is nodding so Brandi, call the roll. Do we need any conversation about it?

MR. MARQUEZ: I have a question.

CHAIRMAN McCUSKER: Go ahead.

MR. MARQUEZ: Is there a way, based on the conversation in exec, to put a cap on that number?

CHAIRMAN McCUSKER: You could do anything you want.

SECRETARY IRVIN: I think we understood -- or I can only speak for myself -- I think I understood mentally in executive session what we think that cap should be. So I don't know if we need to say it publicly.

MR. MARQUEZ: Okay. I'm good with that.

MR. COLLINS: I understand it as well.

MR. MARQUEZ: All right.
CHAIRMAN McCUSKER: Okay. We have a motion and a second. 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.

TREASURER SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

SECRETARY IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

MS. HAGA-BLACKMAN: Fletcher McCusker.

CHAIRMAN McCUSKER: Aye.

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

It's imperative we move this quickly. So we passed that unanimously.

CHAIRMAN McCUSKER: Item 10. 75 East Broadway.

Mr. Collins, do you want to give us the status?

MR. COLLINS: Mr. Chairman, Members of the Board, as you know, when we last met, we were undergoing the archaeological study of this particular site. Yesterday we received the end of field work report from Logan Simpson.
that has now been submitted to the County. The County, in
the ground lease that we have with them, has agreed to turn
that around within five days. Assuming that it is turned
around without requests for modification, that will amount
to archaeological clearance on the site, meaning that
there's no archaeological problem or impediment to moving
forward.

We as yet don't have a signed sublease with JE
Dunn. I spoke with their representatives this morning. I'm
hopeful that we have that shortly. But as soon as there's
archaeological clearance and a signature, the one year to
begin construction will start to run.

SECRETARY IRVIN: Mark, if I'm not mistaken,
we had already approved moving forward subject to wrapping a
bunch of these things up. So we don't need a second motion
or anything? We're clear with what we need to do?

MR. COLLINS: No, I had it on really as an
update to you folks. Logan Simpson did a fabulous job,
turned it around very quickly, dealt with some hiccups along
the way, and did it efficiently. I just wanted to make sure
everybody was aware of that.

CHAIRMAN McCUSKER: Does someone have to sign
off on the archaeology? Does that go to some place --

MR. COLLINS: Yeah. It's the Office of
Sustainability and Conservation at the County. And the head
of that has the report. I'm rather confident he's going to approve that. And once that happens --

CHAIRMAN McCUSKER: -- that starts the clock.

MR. COLLINS: Assuming we have a signed sublease.

CHAIRMAN McCUSKER: And the lease was subject to the archaeology --

MR. COLLINS: Correct. Well, we have two leases of course. We have the ground lease with the County, which has been fully executed; and then there's a sublease with JE Dunn.

CHAIRMAN McCUSKER: Any questions about 75 East Broadway? They've got a sign up.

MR. COLLINS: Yeah.

CHAIRMAN McCUSKER: Mr. Collins, thank you. Caterpillar. You might as well stay up there.

MR. COLLINS: Yes.

I think Mr. Swaim is here to address the more important aspects of Caterpillar at the moment.

CHAIRMAN McCUSKER: Come on up.

MR. COLLINS: At least he promised he would anyway.

MR. SWAIM: Phil Swaim. Swaim Associates Architects. 7350 East Speedway. I think it was about three years ago we were meeting with mysterious groups out --
downtown and looking at dirt across the river. And come to find out that was Caterpillar. You've all worked together with the City and County to create some masterful deals here. So we're now days away from completing their new headquarters.

Sundt is having a bit of a difficult time completing the site work, as we get rain and snow -- if we ever thought we'd had that opportunity to say. But the building itself is going to be ready -- probably next week is the goal. We've got our construction meeting again tomorrow. And Caterpillar is already scheduling taking over insurance utilities, et cetera, starting the warranty period and will be moving people over from there to temporary locations throughout the month of March. So things are moving well. It's still a lot of work to do over there, but it's definitely a success story. Caterpillar seems to be very happy with what they're going to be living in.

CHAIRMAN McCUSKER: Anything we need to do for you or for -- I think all the agreement's in place. The lease is effective at C of O, I believe. Correct?

MR. SWAIM: That is correct. And I think what we all agreed is we're officially making that C of O date in March. So the official lease payments will probably start April 1st. But I think in talking with counsel, you'll get paid the full amount whether it starts March 1st
or April 1st.

MR. COLLINS: Yes.

MR. SWAIM: So that shouldn't be a problem.

I've been working closely with Dan Meyers monitoring all of the expenses, all of our soft costs, and contingencies. Caterpillar's goal is to be able to spend every nickel of the $43 million. So we're working on how to be able to get all that work done and contracted and still complete here over the next month. There's a chance Caterpillar may actually front an additional $300,000 to get some additional work done. But they would pay that to you in cash so that that does not affect the lease payments at all.

TREASURER SHEAFE: The summary then, Phil, is that it is coming in on budget.

MR. SWAIM: Yes.

CHAIRMAN McCUSKER: Below.

TREASURER SHEAFE: And you have a little extra room. And you're doing things to create extra value and fully allocate all the funds and it's coming in on time. That's quite an accomplishment.

MR. SWAIM: And Sundt has actually done a masterful job with the Rio Nuevo funds that they've used to be able to do landfill remediation, relocate the sewer line, do bank protection and things. They're doing their final
accounting. But they're going to be able to actually return
some money to you.

TREASURER SHEAFE: On the tour the other day, the number went up again. So what's your latest employee
count?

MR. SWAIM: The building can accommodate a little over 700. And actually I think when Caterpillar
analyzes how -- so typically 20 percent of their people are on the road. And because they have a sort of hoteling
approach on how to share desks and things, they can get well over 700 people. I think they're starting right now with
about 395 people moving over here in March and then will continue adding over the next year or two.

CHAIRMAN McCUSKER: A little known fact that I find astonishing -- when we met them, they suspected about
half of their Illinois base employees would choose to relocate. And they had a very nice package if they wanted
to stay. 96 percent of Caterpillar --

TREASURER SHEAFE: The last two weeks have kind of helped.

CHAIRMAN McCUSKER: And they're also bringing people in from around the world. We've met people from
Colombia and Argentina. It's really an extraordinary achievement for this region. Not the kind of wins we're
used to celebrating.
MR. SWAIM: The message that went back from the initial employees that moved here to Tucson was what a wonderful community it was. The CFO said he met more people in three months than he did in three years in Peoria. Just seeing how the Rio Nuevo, City, and County have worked together to be able to make this happen. Not the sort of thing we'd thought we'd be saying ten years ago. So I think our entire community has a lot to be very proud of here.

CHAIRMAN McCUSKER: I talked to a "Catty."

He was picked up -- Uber at the airport with a Cat hat -- and he said welcome to Tucson. How is your $43 million building that Rio Nuevo is building? He said he was surprised how much people know about what they're doing and the contributions that they're making. So we're doing something special I hope. Right? There's an open house?

MR. SWAIM: They are planning some sort of celebration, I believe, in April. But I don't have the final details. I can imagine they are trying to keep track of Gene's schedule to make that happen.

CHAIRMAN McCUSKER: Phil, nice job. Thank you.

We're moving quickly.

MR. COLLINS: Yeah, we are.

CHAIRMAN McCUSKER: Let me take the addendum
item. It's the last two. You saw we have an addendum; we rarely have an addendum. We did add an item to our agenda for Wig-O-Rama. Ron, are you presenting this? Somebody presenting this for Peach?

PATRICIA SCHWABE: This is the Patricia Schwabe. Ron Schwabe, Peach Properties.

RON SCHWABE: 44 East Broadway.

PATRICIA SCHWABE: 44 East Broadway. I think I'm just talking a little bit about the leasing part. And you're talking about the construction part?

RON SCHWABE: Yeah. I guess Larry was going to forward some slides but I guess they didn't get forwarded. So we can use our imagination. On the Wig-O-Rama block, the 1055 Brewery is in and open. We're negotiating a lease with --

PATRICIA SCHWABE: Well, I was going to talk about the leases. We have a couple coffee shops where the Wig-O-Rama -- well, those are special spaces, as you know. They have a lot of history for people downtown, the Wig-O-Rama corridor, and then what used to be the old Grill diner -- I don't know if you can remember the Grill. And then The Red Room. So we have multiple people looking at the spaces. We're really trying to focus on finding the best local users that we can find. You've heard we had other attempts of leasing it to national companies.
Starbucks at some point --

RON SCHWABE: That was the exception.

PATRICIA SCHWABE: That was the exception.

But we're trying to focus on local.

TREASURER SHEAFE: Maybe we could kind of define this a little better just on some parameters. The building right now height is what and what --

RON SCHWABE: The building is a little over --

PATRICIA SCHWABE: -- can talk about that --

RON SCHWABE: -- 10,000 square foot on the ground floor.

CHAIRMAN McCUSKER: So for people who aren't following this without your slides, this is the Chicago Store --

PATRICIA SCHWABE: -- no.

CHAIRMAN McCUSKER: -- to Wig-O-Rama?

PATRICIA SCHWABE: No. I think --

CHAIRMAN McCUSKER: -- it's just the --

PATRICIA SCHWABE: 1055 --

CHAIRMAN McCUSKER: -- western corner.

PATRICIA SCHWABE: 1055. If you come from Scott Avenue East, Wig-O-Rama was the --

CHAIRMAN McCUSKER: -- and the two properties immediately east --
PATRICIA SCHWABE: -- tenant. And then the Grill and then the Red Room.

CHAIRMAN McCUSKER: -- Red Room, all right.

PATRICIA SCHWABE: -- and then 1055. Two spaces.

CHAIRMAN McCUSKER: So those four -- five spaces.

PATRICIA SCHWABE: Mm-hmm. So 10 --

SECRETARY IRVIN: Right across the street from Caterpillar's temporary headquarters.

CHAIRMAN McCUSKER: Right.

PATRICIA SCHWABE: Right. So that corner of Congress.

TREASURER SHEAFE: So you're planning to go up. You have retail on the ground floor and then offices above that?

RON SCHWABE: Actually live/work studios. About three floors above, eight units per floor, about 24,000 square feet above the first floor.

TREASURER SHEAFE: So there's three floors, but you're actually building the building up.

RON SCHWABE: -- building three floors. And we did helix --

PATRICIA SCHWABE: -- columns.

RON SCHWABE: Columns. And they are all
throughout the building. If you go to 1055, you see the high beams that go through the ceiling and everything. So it's all prepared for the next three floors. But right now, you're just seeing the first floor.

TREASURER SHEAFE: All right. So you have 10,000 feet of retail.

RON SCHWABE: Right.

TREASURER SHEAFE: And then you're going to have these three floors --

PATRICIA SCHWABE: -- with eight units.

TREASURER SHEAFE: -- with work/live space.

And how many units are going to be --

PATRICIA SCHWABE: Eight per floor.

RON SCHWABE: 24.

TREASURER SHEAFE: 24. And you're taking the building from its present height up two more floors?

Because you already have --

RON SCHWABE: No, three floors above the --

TREASURER SHEAFE: The retail.

RON SCHWABE: Right.

TREASURER SHEAFE: There's really two floors in the retail space now --

PATRICIA SCHWABE: Yeah, they are high, but I don't think we're using that for any other use.

RON SCHWABE: Yeah, that's just mezzanine
MR. COLLINS: We have to -- excuse me. We have to make sure we don't talk over each other.

PATRICIA SCHWABE: Okay. Sorry.

MR. COLLINS: He's really good but he's not a magician.

RON SCHWABE: Oh, okay.

TREASURER SHEAFE: Well, I don't want to take over here. I just want to get -- so what is your right now proposed total budget for this whole project?

RON SCHWABE: On total build-out it's about $7 million.

TREASURER SHEAFE: Well, you're not going to build two extra floors for $7,000,000.

RON SCHWABE: No. $7,000,000 on the new portion. We're about 90 -- 80 percent through the first floor build-out.

MR. MARQUEZ: What are you all in as TI, including the first floor?

RON SCHWABE: T --

MR. MARQUEZ: Total dollar number?

PATRICIA SCHWABE: For the tenant improvements for the first floor?

MR. MARQUEZ: Yeah, what the whole package --

CHAIRMAN McCUSKER: -- improvements, facade.
We're trying to get to a total --

RON SCHWABE: The total number is around 10 -- $10 million probably.

CHAIRMAN McCUSKER: Does that include the new construction?

RON SCHWABE: New construction.

PATRICIA SCHWABE: And some of the tenant improvement too.

TREASURER SHEAFE: All right. Well, you got 24 units at 10,000 -- so that starts making some sense.

CHAIRMAN McCUSKER: You really can't forecast retail until you know what's going in there.

RON SCHWABE: Right.

PATRICIA SCHWABE: Well, we have a couple of people -- I mean, hopefully by the end of spring we'll have this secured and things hopefully opening by the fall. That's the goal.

TREASURER SHEAFE: Well, let's talk about the next step. Your timing for this is what? I know you're doing the tenant improvement, the base work. You can't start putting extra floors on until you put financing and whatnot in place. And there's things that Mark will get involved in. So what is your timing?

RON SCHWABE: Timing. We're building out the first floor. We have the columns set for the second floor.
And we're able to actually pour a podium on the second floor and build above that after the first floor is occupied. So we -- some of the timing is dependent on kind of finishing out the first floor. We're working with Foothills Bank. And they've given us a commitment for the total loan, and then they have a holdback on the upper floor portion.

TREASURER SHEAFE: With Joe Smith (phonetic)?

RON SCHWABE: Joe Smith.

CHAIRMAN McCUSKER: Is that subject to a commitment from us?

RON SCHWABE: It was underwritten with Rio Nuevo's commitment, yes, a hundred percent.

TREASURER SHEAFE: What kind of timing do you need out of us to keep you moving forward?

RON SCHWABE: As soon as we can get an actual finalized commitment.

SECRETARY IRVIN: I think the question is, if we delay you for a decision until next month so we get up to speed on a project -- it would just hit our desk basically today -- is that going to hinder you?

RON SCHWABE: I mean, closing with Foothills is subject to the finalizing Rio Nuevo's commitment.

SECRETARY IRVIN: I'd like a little time to have a chance to look at it.
RON SCHWABE: Right.

TREASURER SHEAFE: Do you have your plans or anything?

PATRICIA SCHWABE: We'll make sure you get it.

RON SCHWABE: Yeah. They didn't get forwarded, apparently.

TREASURER SHEAFE: Will Margaret predict the retail lease rates very accurately?

PATRICIA SCHWABE: She will.

SECRETARY IRVIN: So Ron, if you guys are okay with it, I'd like to make a motion that we table this until our next meeting just to give us a chance to get up to speed with it.

CHAIRMAN McCUSKER: You don't need to table it, we'll just re-agendize it for March.

TREASURER SHEAFE: We'll just put it on the agenda.

PATRICIA SCHWABE: Yeah, but you need see it, you need to go through it.

CHAIRMAN McCUSKER: What we need is our typical packet. So, total volume, construction costs, and forecast, if you have one, renderings, so we can make a better presentation -- both to the Board and to the public. But it's something we're on the record of having a great
deal of interest in. It sounds really cool. I imagine we will want to participate.

PATRICIA SCHWABE: Well, we started the last piece of history downtown, and we can make it cool.

CHAIRMAN McCUSKER: For us it's kind of mathematical to embrace your projects. We'll put it on the agenda for March.

RON SCHWABE: Fair enough.

PATRICIA SCHWABE: Thank you.

TREASURER SHEAFE: And when you get this put together, it will be a dominant addition to downtown.

PATRICIA SCHWABE: Well, and there's a demand for the live/work space.

MR. MARQUEZ: When you say there's 24 units, 8 per floor of work/live space, what is that? Do you have a desk in your condo? What is that?

RON SCHWABE: It could be. It's more like live/work studios. It can be residential. But probably a lot of it will be commercial -- just for the location.

MR. MARQUEZ: So it's really office space?

CHAIRMAN McCUSKER: You could be a potter or a painter.

RON SCHWABE: A lot of it will be studios. We have other live/works and there's a commercial element. They do business out of their units.
MR. MARQUEZ: For people to lease? Or can they also purchase?

PATRICIA SCHWABE: Lease.

RON SCHWABE: It's all for lease.

It's a great location for it. It's in the absolute core. There's a huge demand for that.

MR. MARQUEZ: Awesome. Thank you.

RON SCHWABE: Thank you.

CHAIRMAN McCUSKER: I'm sorry we lost your PowerPoint. We can't get on the internet? Who owns this place?

(Laughter.)

TREASURER SHEAFE: Do you know the manager?

CHAIRMAN McCUSKER: We got internet at the State building.

TREASURER SHEAFE: I think most people know the District owns this facility.

CHAIRMAN McCUSKER: Okay. We have a Fox Theater item. I think we've -- just to remind people, we have the opportunity to refer up to five board members to the Fox Theatre Foundation. I think we've placed four of those, Mr. Collins?

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

CHAIRMAN McCUSKER: So this would be our final recommendation. And I think -- do you want to go
through the candidate?

MR. COLLINS: I'll let Mr. Marquez do it.

CHAIRMAN McCUSKER: Edmund, it's your nomination, right?

MR. MARQUEZ: Sure. Yeah.

CHAIRMAN McCUSKER: Go ahead.

MR. MARQUEZ: I would like to recommend -- and I probably need a motion in the end, I'm guessing -- Mr. Jerry Fischer. He is the Executive Vice President of HSL Properties, responsible for their hotel assets. They have 10 nationally branded hotels in the Tucson area. Excellent individual, heavily involved in the community. He would be a great asset for the Fox Theatre. He's a player here downtown as they are developing their apartments right now; they're Class A apartments.

I would like to move that Rio Nuevo -- we recommend and refer Jerry Fischer to the Fox Board for their board of directors.

SECRETARY IRVIN: I'll second that.

TREASURER SHEAFE: Second.

CHAIRMAN McCUSKER: Brandi, call the role. I will recuse myself.

MS. HAGA-BLACKMAN: Edmund Marquez.

MR. MARQUEZ: Aye.

MS. HAGA-BLACKMAN: Jannie Cox.
MS. COX: Aye.

MS. HAGA-BLACKMAN: Chris Sheafe.

TREASURER SHEAFE: Aye.

MS. HAGA-BLACKMAN: Mark Irvin.

SECRETARY IRVIN: Aye.

MS. HAGA-BLACKMAN: Jeff Hill.

MR. HILL: Aye.

(The Board voted and the motion carries 5-0 with one abstention.)

CHAIRMAN McCUSKER: All right. So that passes 5-0 with me abstaining. We'll let him know that he's been appointed -- we'll let the Fox know.

TREASURER SHEAFE: Is it appropriate to comment how appreciative this board member is about having the garage pulled down in the corner next to the hotel?

CHAIRMAN McCUSKER: No, it's not agendized.

TREASURER SHEAFE: You didn't hear it?

CHAIRMAN McCUSKER: If I managed the agenda, I think I've got both the addendum and the regular agenda. It's time for a call to the audience. I only have one submitted, but if somebody wants to say something to us, we're happy to entertain you for the call to the audience.

MS. BECHERER: Good afternoon. Elaine Becherer, B-e-c-h-e-r-e-r, Director, with the Arizona Coyotes. And I'm here representing the Coyotes, as well as
the Tucson Roadrunners.

So we wanted to share with you a couple of exciting updates. One is that we are partnering with the UofA for a UofA Night on April 12th. And that will not only include a hat -- something similar that we did up in Phoenix with ASU. Of course, it will not be yellow -- but we're working closely with UofA hockey, Joel Hauff, the coach, as well as the trademark department for a hat, as well as a fundraising component that will be a part of the promotion and the ticket. So we wanted you all to hear that and get it on your calendars for April 12th.

And then a couple of months ago, I shared with you all a really great article promoting Tucson, as well as the hockey players. I've shared it with Visit Tucson, Sun Corridor, and others, just putting Tucson on the map. And I brought a copy. There's a new article out about youth hockey and the growth of youth hockey. And it's on the AHL internet on the beat. And it's again by our local writer, Alex Kinkopf. And so I have a copy for you.

CHAIRMAN McCUSKER: Make sure Brandi gets that electronically.

MS. BECHERER: I will. Thank you.

CHAIRMAN McCUSKER: Roadrunners are going to make the playoffs -- I'm not allowed to interact with the audience.
MR. COLLINS: You're not supposed to. Even if it is Elaine.

CHAIRMAN McCUSKER: Anybody else from the audience?

Raul. Come on up.

RAUL RAMIREZ: Thank you, Mr. Chairman, and the Rio Nuevo Board members. Actually, I'm here to talk about --

CHAIRMAN McCUSKER: State your name for the record.

RAUL RAMIREZ: Raul Ramirez, West Side, representing no one.

I'm here just to share some good news with you.

Most of you -- I am assuming you know about the Jose Carrillo House. It's right here on the property of TCC. This was one of the houses that was saved -- well, reconstructed after urban renewal. And it's been under the ownership of the Arizona Historical Society, which is part of the State. And recently, as of January, Los Descendientes, which is a nonprofit organization that I'm involved with, leased the facility. And our plan is to make it a Mexican-American Museum. The space is not very big, but for us, it's a great start. Our first exhibit is opening in March. And it has to do about mariachi women.
And there's very little known about the history of the mariachi women. But it started in Mexico in the early 1900s. So we're going to have a display, not only with the information, but also some of the trajes, meaning the charro outfits that they wear. That's going to open on -- we're going to have a special preview on March 8th at 2:00; that's a Friday. And then the public -- but these are all open. But we're going to have the main opening on March the 10th, which is a Sunday. There's going to be a PowerPoint presentation also at 2:00. And this is all going to coincide with the mariachi play that's going to be opening at the ATC starting in March. It's going to run for a whole month. And then it also dovetails nicely with Women's Heritage Month because this is focusing on women. And then, in April, of course, we have the mariachi conference. So I want to extend a warm invitation to you to come and join us. It should be a lot of fun, and get acquainted more intimately with Los Descendientes.

CHAIRMAN McCUSKER: Anybody else? Entertain a motion to adjourn --

MR. MARQUEZ: There's a gentleman back there.

SECRETARY IRVIN: So moved.

ZACH FENTON: I don't know if it's appropriate to --

CHAIRMAN McCUSKER: You got to come up here
and do it. It doesn't matter if it's appropriate.

(Laughter.)

Your name?

ZACH FENTON: Zach Fenton. So we have a property at 117 N. 6th Avenue. And we basically wanted to try and follow the same formula that we did with 35 Toole. Not looking for any cash, just the sales tax rebates and GPLET.

CHAIRMAN McCUSKER: We'll work on it.

ZACH FENTON: Okay.

CHAIRMAN McCUSKER: Didn't make today's agenda. But not because we're not working on it.

ZACH FENTON: All right. That's all I had to say then. Thanks.

CHAIRMAN McCUSKER: Now, I'll entertain a motion to adjourn.

TREASURER SHEAFE: Move to adjourn.

SECRETARY IRVIN: Second.

CHAIRMAN McCUSKER: All in favor say "aye."

(Ayes.)

See you all in March.

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C E R T I F I C A T E

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

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John Fahrenwald, RPR