RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

MEETING OF THE BOARD OF DIRECTORS

March 26, 2019

1:04 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
APPEARANCES:

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

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

BE IT REMEMBERED that the meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Tucson Convention Center, Graham and Greenlee Rooms, in the city of Tucson, state of Arizona, before BONNIE GRAY, RPR, Certified Reporter No. 50669, on the 26th day of March 2019, commencing at the hour of 1:06 p.m.

* * * *
CHAIRMAN McCUSKER: We're going to call the meeting to order. It's 1:04 on the official Rio Nuevo clock.

(The Pledge of Allegiance was recited.)

CHAIRMAN McCUSKER: Call the roll.

Mr. Irvin is right behind you.

MR. IRVIN: Here.

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: Fletcher McCusker?

CHAIRMAN McCUSKER: Here.

And have we heard from Mr. Hill?

MS. HAGA-BLACKMAN: I have not.

CHAIRMAN McCUSKER: So we have a quorum.

We can get started.

You have a transcribed meeting minutes from the February meeting. They are verbatim, with every um, and, and ah. Unless you have a correction, I just need a motion to --
MS. COX: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

MR. MARQUEZ: Aye.

MR. SHEAFE: Aye.

MR. IRVIN: Aye.

MS. COX: Aye.

CHAIRMAN McCUSKER: This is the time set aside for executive session. We need a motion to recess.

MR. SHEAFE: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

MR. MARQUEZ: Aye.

MR. SHEAFE: Aye.

MR. IRVIN: Aye.

MS. COX: Aye.

CHAIRMAN McCUSKER: See you back here in 47 minutes.

(Executive session met from 1:06 p.m. to 2:26 p.m.)

CHAIRMAN McCUSKER: Can I entertain a motion to reconvene?

MR. IRVIN: So moved.

CHAIRMAN McCUSKER: Second, please?
MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

MR. MARQUEZ: Aye.

MR. SHEAFE: Aye.

MR. IRVIN: Aye.

MS. COX: Aye.

CHAIRMAN McCUSKER: We're back from executive session, unusually long for us. Thank you for sitting through that.

As you can tell from the agenda, a lot of things going on with us, a lot of conversations with counsel, particularly as it relates to this particular facility. We're going to talk about that here in a few minutes now.

It's an interesting time --

The court reporter can't hear me?

It's an interesting time for all of us. If you look around downtown, a lot of the work you see are the fruits of Rio Nuevo labor.

The Caterpillar employees are, in fact, moving into their building as we speak. The diocese is moving into their new office across the street as we speak. So both of those were Rio Nuevo partnered projects.

Some of the activity you see around the
TCC, however, is residential, the seven-story residential complex going on at Church and Stone, the new Flin apartments, the HSL apartments, what used to be the old La Placita, and other residential complexes.

If you're a student of downtown's, you would know that residential is typically the last piece, and we really begin to see a great deal of interest in multifamily residential, both high-rise and traditional apartments. And we have some people kind of (inaudible) around condos for sale activity downtown.

So we would expect to see something in the neighborhood of 5,000 residential units in our downtown property in the next five years. So it's a really healthy sign of a sustainable long-term energetic downtown.

Retail, you know what's happening. All of our hotel projects are moving forward. What we now know is going to be a DoubleTree, southern corner of this complex, they might be actually looking to submit their plans this week or next.

We will enable that 175-bed DoubleTree property by building a parking garage immediately to my left as you step out into that parking lot in the next
two years that will house a 350 four-story parking
garage that is dedicated not only to the hotel, but to
the TCC itself.

And we're going to talk some more today
about the overall package that we're working on for the
Tucson Convention Center complex, which right now is
hovering around $74 million.

So, Dan, your job is to make sure we have
all this money. So how are we doing?

MR. MEYERS: Dan Meyers, CFO for Rio Nuevo.

As of February 28, we had about $5 million
in the bank, and our protected revenues after bond
payments and debt service, another 3.7 million. So
available within the next year we're anticipating about
$8.8 million.

As far as commitments go, show $7.8 million
on the sheet, but I just found out a little while ago
that one of these has been eliminated. So we've got
about 6.8 in current commitments. So we're in pretty
good shape there.

CHAIRMAN McCUSKER: We should mention
almost 3 million of that is the ice plant or its
complex that we approved a few months ago. So that
will commence as soon as the hockey season and the
football season is over. We've let those contracts --
that construction will occur this summer.

MR. MEYERS: For our collection for December, we got $1.69 million, significantly higher than our budget.

A good part of that whole range was from sales tax from construction projects here in the district, so obviously that construction is very helpful to us.

For the calendar year 2018, we earned about 15.8 million, again, which is significantly over our budget of 14.4.

Again, we've got a number of factors that made that go up. But I don't see any particular reason why that would come to a screeching halt.

CHAIRMAN McCUSKER: How does that compare to last year?

MR. MEYERS: Let's see here.

MR. SHEAFE: You have that on your list.

MR. MEYERS: Last year we earned, on a calendar-year basis, 11.5 million, so ...

CHAIRMAN McCUSKER: There is an item in the downtown partnership report that's released on their website. The International Downtown Association did a study of downtowns and did a deep dive on downtown Tucson.
And they identified that the sales tax in our downtown is up 66 percent. And I think that's the first number -- first time I've seen that kind of number other than what you reported with the sales tax.

MR. MEYERS: Right. And certainly we've lost some retail outside of the downtown area, which would drive that down, so that makes sense.

For this fiscal year, we're at about 7.5 million. We had a couple rough months in October, I believe, October and September. But we're bouncing back from that nicely.

Again, our budget is 7.2 million for six months, so, again, we're a little ahead of our budget in that respect.

CHAIRMAN McCUSKER: Any questions for Dan?

Thank you, sir.

MR. MEYERS: Okay.

CHAIRMAN McCUSKER: Item Number 7, the TCC. I touched on that briefly in my comments. We have an entire package coming together that will include a huge scope of renovation. We're also shopping around how we can finance that.

One thing that we have to move pretty quickly on, in my opinion, is the garage. So I think
Caliber is expecting us, as a board, to make some commitments to the new parking structure on the east lot.

MR. SHEAFE: Would you like a motion on that?

CHAIRMAN McCUSKER: I can tell you what I know about it. If someone from Swaim is here, if you want to maybe come on up.

We now know it's about a $5 million item. We can finance that internally. We expect to include that in whatever refi package.

But I think we're at a position where in order to really launch the hotel, we kind of have to really seriously consider committing to the garage. Michael.

MR. BECKER: Thank you.

Michael Becker with Swaim Associates.

So as Fletcher mentioned, to get the garage complete by the time the hotel completes, we really need to start the design phase of that and begin to get basically the job ready for construction for next summer.

I think our intent is to try to miss the hockey and football season next year and start the garage construction and complete it so it all comes in
line together.

We did submit a fee proposal for that work to the district. It came to a total of $292,000. About half of that is our garage consultant, so we have a specific consultant that's going to do the structural design and garage design for us.

Other than that, like you said, we also gave you an estimate for the total project cost, which is right around $5 million.

CHAIRMAN McCUSKER: Michael and Mr. Collins, so to launch a project of that magnitude, if we, A, hire an architect -- we have a proposal now. We can do that.

Two, we would begin to think about a solicitation for a contractor, right? So that would be -- what's the timing of that, Michael, and when do we really need to get serious about that?

MR. BECKER: The contract would provide a little bit of time on that simply because we have -- if we start construction next year, we have some time to do the design process first. So we can solicit for a contractor now and be part of the design process.

CHAIRMAN McCUSKER: And your learned opinion about the estimate? I'm sorry. I was ballparking. I was pretty close?
MR. BECKER: Yeah.

CHAIRMAN McCUSKER: So the conversation is to, A, approve the architect and the architect estimate as a board, I think to commit as a board so the Caliber understands we're committed to build a garage in the $5 million range, and then instruct our attorney and architect to move forward with that kind of project.

Mr. Irvin?

MR. IRVIN: So I completely concur on moving forward on the garage, and I think it probably is a two-step process, one where we get the architect hired to get started on that, as we're going through that, not to delay the process, follow with an RFP, which we would want our architect to help us structure that.

Base upon that, I would like to make a motion that we authorize as a board moving forward with hiring Swaim and Associates to design this garage for us and then also to help work with us on an RFP that we can put out to procure the garage and time that so that we're doing that tail end just before the hotel opens so it all combines and happens at the same time.

That's my motion.
MR. SHEAFE: Second.

CHAIRMAN McCUSKER: Do you need to address the estimate?

MR. IRVIN: He already talked about the estimate, 292,000. I just assumed everybody had that, 292,000.

CHAIRMAN McCUSKER: Mr. Sheafe, you seconded that?

MR. SHEAFE: I seconded.

CHAIRMAN McCUSKER: So the motion and second is to authorize us to enter into the engagement proposed by Swaim to be the architect on record for the -- do we have a name for this thing?

MR. BECKER: Not yet.

CHAIRMAN McCUSKER: The east parking lot?

MR. BECKER: Lot A garage.

CHAIRMAN McCUSKER: Any other conversation?

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: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

So that's unanimous.

Do we need to do anything else, Mr. Collins, to advance this garage project, or we'll take it up in the next meeting or whenever?

MR. COLLINS: Mr. Chairman, no. Based on what the motion was, we've got enough to do the engagement with Swaim, and then we'll discuss the best solicitation method.

I'm thinking you're going to want to see him at (inaudible), but I want to talk with Michael about that, so ...

CHAIRMAN McCUSKER: Okay. I'll move on. I think people know we have a huge undertaking in mind for this complex.

We've seen, you know, some $40 million request from the City. We're really interested in finishing the exhibition hall improvements, additional parking.

We're contemplating the idea of another sheet of ice, additional parking structures in and around the complex, the restoration of the music hall, Leo Rich, and the Eckbo Plaza.
So this is probably our biggest undertaking ever. It is what the legislature deems as our primary component. And, again, we've pencilled some $75 million total as to that kind of project.

So we've approved two of the more urgent pieces, the ice renovation, and then now the garage.

And I think the rest of it we can probably entertain as a package.

Item Number 8, Access 12 property, this is the city-owned building on the corner of Broadway and 5th.

Mr. Irvin.

MR. IRVIN: So if I'm not mistaken, we've already gotten an approval to move forward on this.

Just for a little history for everybody -- Mr. Collins, chime in if I'm incorrect -- we initially offered to buy this from the City of Tucson after it had fallen out of escrow twice, only really got engaged because nobody could really figure it out. We thought we had the ability to do so.

As we're working through to try and put that into escrow with the City, somebody else stepped up. And we were asked if we would consider standing down. We agreed to do so. And now a couple months
The initial plan was to provide the City with a million dollars cash and then allow a drawdown of a million dollars on our money that the City owes us for the Depot Plaza Garage.

I think given where we are now and sort of our finances and some of the demands for cash, I'd like to see us modify that approval to do just a pure straight-up-and-down debt structure swap with that so just reduce what they owe us by two and we take on Access 12.

So that's the story with that property, and my motion would be to modify what we did before and just allow that $2 million to be all traded out in debt rather than any cash changing hands.

MR. SHEAFE: You're including in that motion the ability to do a little negotiating?

MR. IRVIN: Yes. Thank you, Chris. A not-to-exceed number.

MS. COX: Second.

CHAIRMAN McCUSKER: Okay. We have made an offer to the City for $2 million. And it initially was a million cash and a million debt forgiveness. They had an alternative deal. That deal has fallen apart.

You suggested we now renegotiate our offer
to pay all of debt service?

MR. IRVIN: Correct. Not to exceed $2 million.

CHAIRMAN McCUSKER: Mr. Sheafe seems to think that we're also going to negotiate the price. Is that really our intent?

MR. IRVIN: You know, I don't think we've seen an appraisal on it in some time, but I don't think it would hurt us to see an updated appraisal on it. But I'm fine with a not-to-exceed number. If we can get them to sharpen the pencil, that would be great.

CHAIRMAN McCUSKER: So the way the motion is apparently structured, it would be an item not to exceed $2 million?

MR. IRVIN: Correct.

CHAIRMAN McCUSKER: Any questions?

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: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

So that's unanimous, too.

All right. Wig-O-Rama project, Marcel, do you want to come up?

I think everybody knows where the Wig-O-Rama is on the corner of Scott.

You were preoccupied last month. So we didn't get the full story. And we're very eager to launch something iconic there. So tell us what you're up to.

MR. DABDOUB: Thank you for your time, board members.

As an update --

MR. SHEAFE: Your name.

MR. DABDOUB: My name is Marcel Dabdoub.

And my partner, Ron Schwabe, is back there.

We are still actively pursuing tenant leads for the remaining of the project. As you know, we've put in one tenant.

They had an operation that was down in the industrial park, and we saw this opportunity to -- once it got to a certain scale, they moved their operation to Congress, including a food component.
And now we've really been putting a lot of thought into how do we turn the block into more of a destination.

So we're pursuing several ideas around that, especially now that -- once we move forward with the 75 East Broadway site where we can put in more traditional retail along 75 East Broadway, it gives us an opportunity to pursue a common theme along the Congress side and, again, create more of a draw for the entire block.

The only change that has occurred with respect to the Wig-O-Rama property, which is a single tax parcel, is that we are looking to build additional floors above that.

So when we acquired it, it was just for one-floor retail. And as we were doing the fit-out for our first tenant, we kind of had to act quickly in terms of whether we (inaudible) columns in the space, because you can't really do it after the fact.

So we put in some columns into the space while we were doing the buildup of 75, and that just gives us an opportunity to go several floors above that with elevators or the stair entrance off of Scott.

So that -- nothing has really changed in
terms of the intention. That existing floor is still all considered to be retail, with the exception of the one elevator lobby, which would maybe carve out 500 square feet.

But with -- if we put extended hotel units above, 10 units per floor, which you can pull through one of the online booking websites as it is today, then it will allow us to generate even more tax revenue from that one site.

So everything has really stayed the same except for the scope of the project.

MR. MARQUEZ: Last time Ron was speaking, it was mentioned on the additional floor it be like an artisan live and workspace.

Is that still the vision or the extended stay?

MR. DABDOUB: That was the original, and the extended stay concept has been something that sort of has developed more recently, looking, analyzing the size of some of the units that are renting and what they're renting for on the Airbnb website.

It's not a hotel, because at the end of the day, these are studios. So it gives you an opportunity to lease them out as short-term rentals if somebody is looking for -- or we could do one-year leases on these
if somebody were looking to do a live-work unit.

But we've really reduced the size of the units where as previously we were looking at doing live-work units, and we were only about to get about six per floor, now we're moving the direction of just more units, which would be more density.

MS. COX: So that's 10 units per floor?

MR. DABDOUB: That's right.

MS. COX: And how many additional floors do you anticipate?

MR. DABDOUB: Three floors.

MS. COX: Three. So we're talking about 30 units?

MR. DABDOUB: 30 units, correct.

Again, this is not a full-service concept by any means. This is something that gives us the flexibility by making these units smaller to allow them to be booked on some of the online booking websites where people are looking for short-term rentals without any hotel services or if somebody wants to lease a studio for a full year.

We haven't run the numbers in terms of tax revenue. Once we start -- once we book some finished units, I think what we would start is furnish some of them and start sort of testing that market.
And based on that -- you know, the good thing is, we have flexibility of either leasing them out as they're workspaces if somebody wants to lease a studio unit or whatever work-related purpose or as a residential unit where the tenant is going to furnish that unit themselves or furnish the extended stay or short-term-stay units.

CHAIRMAN McCUSKER: Does the Wig-O-Rama retail stay vacant while you're building up? Is there a way to activate space?

Probably not as long as you're in construction. So does the Wig-O-Rama space stay vacant until you've built out the entire four floors?

MR. DABDOUB: I don't think it's going to necessarily -- I'd have to defer to Ron, because he's the one that really handles most of the construction issues.

But I would expect that we would be able to go about building the stairway and then go about --

MR. SCHWABE: We actually -- first thing we do is build a podium, and once the podium is in, we can occupy below it and then build later.

CHAIRMAN McCUSKER: So, Mr. Collins, we have a draft, and that includes no cash from Rio Nuevo, a government lease, and a tax rebate. That's our kind
of typical approach, right? Anything unusual about this deal?

MR. COLLINS: No, Mr. Chairman. The issue for us now is that we have to complete the economic study, but I need a little more information from Marcel and Ron. They're getting it to me.

But we also need to have the agreement executed so they can close their financing. Their lawyer and I have worked out a purchase lease option agreement very similar to what you've seen before.

We would sign the agreement. It wouldn't be effective, if you will, until all of the conditions received have been satisfied. So I'll bring it back one last time, but you've already signed.

It is very basic. Your title is going to stay in the developers until the C of O. And at the C of O, title will come to you, and it will be leased back to them on a 25-year lease.

There is a rebate component, as you are doing. These folks are now budgeting roughly $10 million of improvements, and their cap on that rebate is $2.175 million, so ...
CHAIRMAN McCUSKER: So that --

MR. SHEAFE: I'll make that motion that we authorize counsel to proceed with working through the documentation, authorize the executive officers to sign once it's been approved, all subject to the economic study.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: Any other questions for the developer or Mr. Collins?

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: Fletcher McCusker?

CHAIRMAN McCUSKER: Aye.

And that's another unanimous decision.

Thank you very much.

MR. DABDOUB: Thank you very much.

MR. SCHWABE: Thank you.

CHAIRMAN McCUSKER: Mr. Collins, I don't
think we need to do anything on the 75 E. Broadway save
maybe pray?

MR. COLLINS: I think that's all we need to
do.

CHAIRMAN McCUSKER: So everything is moving
along?

MR. COLLINS: Everything is moving along.
The last time -- I had a meeting with the J E Dunn
folks and the County and a couple of board members last
week.

J E Dunn is of the opinion that they hope
to break ground by September or October. We still got
some paperwork issues to resolve. But that's certainly
what the indication was.

CHAIRMAN McCUSKER: Okay. We're going to
hold on Item 11. Mr. Irvin is conflicted on that. I'm
going to withdraw Sunshine Mile.

By the way of update, if you're not
following this, the mayor and city council a week ago
authorized the formation of a zoning overlay dump for
the entire two-mile section of the so-called Sunshine
Mile. This is from Country Club to Euclid.

Rio Nuevo will be partnering with the
City and the RTA to develop that overlay. It has
extensive public outreach. We've already launched
that process.

Our partner, as everyone knows, is the Project for Public Spaces. They will continue to help us with that project.

We committed to mayor and council to be able to do an overlay in a year, record time. I don't think there's been any overlays that the City accomplished in under 18 or 24 months.

So our objective is to deal with all the zoning issues along the Broadway corridor that relate to parking, setbacks, access, alley access and use that would enable the Sunshine Mile.

We have an economic proposal from Project for Public Spaces, but I don't really understand how that fits into the current budget. So I'm probably not going to try to do anything today.

Michael, is there any urgency that we do that today? If not, we'll do it at the next meeting. So keep your eyes peeled for projects on the Sunshine Mile.

Now, we do expect a series of public meetings to begin as early as April, May on ideas we have for that project.

We have talked about --

Mr. Irvin, hang on.
We have talked about the idea of soliciting partners. Am I properly agendized to have that conversation?

MR. COLLINS: Yes. You're talking about an RFQ --

CHAIRMAN McCUSKER: An RFQ or RFI or some sort of instrument that would allow people to express their interest to -- in us --

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: -- working with us on the Broadway corridor.

MR. COLLINS: Correct.

CHAIRMAN McCUSKER: Can it be that simple, that we just authorize you to draft an RFI?

MR. COLLINS: It would be a solicitation. I'm not sure what you want for which project you want. I think that if you were to authorize me to work with Swaim, we could, by next meeting, come back to you with whatever various solicitation methods you might want.

It's not an easy task. We could do an SRQ -- or, yeah, an RFQ, but I'm not sure that's exactly what you want to do here.

CHAIRMAN McCUSKER: It's more of an indication of interest. It's competitive. It solicits
people and people's ideas.

MR. COLLINS: Right.

CHAIRMAN McCUSKER: And it should be pretty open ended, I would think.

MR. COLLINS: Right.

CHAIRMAN McCUSKER: Is that enough direction for you to start on something?

MR. COLLINS: Because of what we have in Swaim Associates, I'm fine with that.

CHAIRMAN McCUSKER: Do you need a motion to that effect?

MR. SHEAFE: Would we need one? Because where would Swaim -- just put the word out.

CHAIRMAN McCUSKER: Well, it's a solicitation.

MR. COLLINS: Ultimately, I will have to bring back -- whatever the solicitation is, I need to bring it back to you to approve that.

So if -- Mr. Sheafe, if your question is do I need to be authorized to do that, probably not. I work for you guys, so -- but because whatever we end up doing, I can bring it back to you, and you'll need to know what it is we're doing before we can get it done.

CHAIRMAN McCUSKER: So we can instruct you to
go ahead and draft the RFQ for development partners on
the Broadway --

MR. COLLINS: You can --

CHAIRMAN McCUSKER: You can bring it to the
next meeting?

MR. COLLINS: Yes, I can do that.

CHAIRMAN McCUSKER: Any objection?

MS. COX: Well, in the interest of time,
can you bring it -- would it make sense to bring it to
the executive officers so that it could happen in a
more timely way than another board meeting?

CHAIRMAN McCUSKER: It's a big project.

I'd rather do it in a public meeting.

MS. COX: Okay.

MR. COLLINS: Well, and you've got lots of
levels here. You've got each of the blocks. They have
different requirements, as you all know.

MS. COX: Right.

MR. COLLINS: And, you know, one size won't
fit all, so ...

MS. COX: Okay. Thank you.

MR. COLLINS: Sure.

CHAIRMAN McCUSKER: Okay. You don't need
anything? You don't need a motion?

Okay. We're going to look at that in the
next agenda.

Item 11, and then I'll finally call the audience.

One of the things that Rio Nuevo has been the most active in is working with Sun Corridor on the improvement of inbound employers.

We were instrumental in the relocation of Caterpillar in Tucson. We were instrumental in the selection of downtown Tucson by Hexagon.

We continue to be open for business to corporate organizations who want to call our downtown home. And we will help them do that in a lot of different ways that we're allowed to do under State statute.

So we have an inbound employer. I don't know, David, if you guys want to talk to us about it. I don't know how much of it is public or not public.

But, Mr. Sheafe, I think we've been working to enable a serious employer with a serious base, and we would help do that with some parking incentives, not like we -- almost exactly what we did for Hexagon.

MR. COLLINS: Mr. Chairman, Mr. Sheafe, you can get as detailed or as general as you like. I received specific instructions from, as you know, the board in E session on this particular topic. And the
name of the employer remains confidential at this point.

MR. SHEAFE: We have agreed to leave the name confidential, but we can talk about some of the generals.

The first one is, and one of the most probably noticeable for people in general is this is an employer suggesting 350 employees at an average income level north of 45,000.

Those employees would be brought in over time and are being signalled -- north of 60 you want to say? They just got a raise.

We discussed and I can give you just general parameters, but what I will say is our commitment is for 650,000, and there's a series of qualifiers that make that happen.

So I would put forth a motion, and the motion would be to approve parking support, because that's what this money is for, consistent with our discussion to authorize counsel to work directly with representatives of the employer and Sun Corridor to finalize documents to certify our commitment and to authorize executive officers to approve the final and finished product to establish their commitment from the district to the employer based on their actually
MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: That 650,000 is over a five-year period?

MR. SHEAFE: It's over a five-year period. And, really, it's nothing for the first year, because it's a qualification of 100 employees where we do not participate.

CHAIRMAN McCUSKER: I think it's important for us to show this level of commitment. We're competing with other communities. We successfully competed with Denver for Caterpillar. We competed with Denver for Hexagon. Part of what makes that work, as we know and believe, is our tax incentives.

So we have a motion and a second. Mr. Irvin is not allowed to vote on this.

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.

I just want to acknowledge that Sun Corridor played a huge role in putting this together.
1 MS. HAGA-BLACKMAN: Fletcher McCusker?
2
3 CHAIRMAN McCUSKER: Aye.
4
5 So that's unanimous.
6
7 Good luck, you guys. That's -- bring a
8 big-league employer to downtown Tucson.
9
10 This is the time we set aside to call the
11 audience.
12
13 Brandi, do you have any signed -- if
14 anybody would like to say anything, stick your hand up
15 in the air. Come on up. If not --
16
17 Go ahead.
18
19 MS. VAN DRUNEN LITTOOY: I don't want to
20 bypass the opportunity. Nice to see you. Karla
21 Van Drunen Littoooy. I'm with an organization called
22 TCC Today. And I've recently been appointed as a
23 commissioner for Ward 2 for the TCC commission.
24
25 I had an opportunity at the most recent
26 commission meeting to see Tim Smith -- he's a principal
27 with Swaim -- his presentation on the garage.
28
29 And I just want to offer to you some
30 impressions that I have, given the experience that I
31 have in this district, and that is that Tim said that
32 at a budget of 5 million, it would be a U-tile
33 facility.
34
35 And when you drive down Church towards the
barrio, that four-story structure is going to be much larger than everything in a couple-block radius. And you --

CHAIRMAN McCUSKER: Except for the new hotel.

MS. VAN DRUNEN LITTOOY: Ah, all right. Well, you can balance it off. Go right to my comments. You've got a modernism structure here. You've got a structure that's mission in the cathedral. You've got the barrio.

I just ask you to please consider to stay attentive to the design that evolves so that it complements the area that you're in and that it is not just a concrete structure going right down to the ground.

So I hope that we will think about the pedestrian view, whether there can be anything that's open, whether there's a space for any kind of retail, so there's some engagement as we put that on that pad.

And, you know, maybe we could go so far as to take some inspiration from Bertrand Goldberg and his corncob parking structures in Chicago. Let's just think a little out of the box, because that structure is going to be there for well
beyond my lifetime.

Thank you.

CHAIRMAN McCUSKER: Thank you very much.

Anybody else?

Entertain a motion to adjourn?

MR. SHEAFE: So moved.

MR. MARQUEZ: Second.

All in favor say aye.

MR. MARQUEZ: Aye.

MR. SHEAFE: Aye.

MR. IRVIN: Aye.

MS. COX: Aye.

CHAIRMAN McCUSKER: See you all next month.

(The proceedings concluded at 3:02 p.m.)
C E R T I F I C A T E

STATE OF ARIZONA  )
COUNTY OF PIMA  )

BE IT KNOWN that I, Bonnie Gray, CR #50669,
took the foregoing proceedings pursuant to Notice; that
I was then and there a Certified Reporter in and for
the State of Arizona; and that the transcript is a
full, true, and accurate record of the proceedings.

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

WITNESS MY HAND this 9th day of April 2019.

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