

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

1 APPEARANCES:

2

3 BOARD MEMBERS:

4 Fletcher McCusker, Chairman

5 Chris Sheafe

6 Mark Irvin

7 Jannie Cox

8 Edmund Marquez

9

ALSO PRESENT:

10

Mark Collins, Board Counsel

11

Brandi Haga-Blackman, Operations Administrator

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BE IT REMEMBERED that the meeting of the

17

Board of Directors of the Rio Nuevo Multipurpose

18

Facilities District was held at the Tucson Convention

19

Center, Graham and Greenlee Rooms, in the city of

20

Tucson, state of Arizona, before BONNIE GRAY, RPR,

21

Certified Reporter No. 50669, on the 26th day of March

22

2019, commencing at the hour of 1:06 p.m.

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

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

6 (The Pledge of Allegiance was recited.)

7 CHAIRMAN McCUSKER: Call the roll.

8 Mr. Irvin is right behind you.

9 MR. IRVIN: Here.

10 MS. HAGA-BLACKMAN: Edmund Marquez?

11 MR. MARQUEZ: Here.

12 MS. HAGA-BLACKMAN: Jannie Cox?

13 MS. COX: Here.

14 MS. HAGA-BLACKMAN: Chris Sheafe?

15 MR. SHEAFE: Here.

16 MS. HAGA-BLACKMAN: Fletcher McCusker?

17 CHAIRMAN McCUSKER: Here.

18 And have we heard from Mr. Hill?

19 MS. HAGA-BLACKMAN: I have not.

20 CHAIRMAN McCUSKER: So we have a quorum.

21 We can get started.

22 You have a transcribed meeting minutes from  
23 the February meeting. They are verbatim, with every  
24 um, and, and ah. Unless you have a correction, I just  
25 need a motion to --

1 MS. COX: So moved.

2 MR. MARQUEZ: Second.

3 CHAIRMAN McCUSKER: All in favor say aye.

4 MR. MARQUEZ: Aye.

5 MR. SHEAFE: Aye.

6 MR. IRVIN: Aye.

7 MS. COX: Aye.

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

11 MR. SHEAFE: So moved.

12 MR. MARQUEZ: Second.

13 CHAIRMAN McCUSKER: All in favor say aye.

14 MR. MARQUEZ: Aye.

15 MR. SHEAFE: Aye.

16 MR. IRVIN: Aye.

17 MS. COX: Aye.

18 CHAIRMAN McCUSKER: See you back here in  
19 47 minutes.

20 (Executive session met from 1:06 p.m. to  
21 2:26 p.m.)

22 CHAIRMAN McCUSKER: Can I entertain a  
23 motion to reconvene?

24 MR. IRVIN: So moved.

25 CHAIRMAN McCUSKER: Second, please?

1 MR. MARQUEZ: Second.

2 CHAIRMAN McCUSKER: All in favor say aye.

3 MR. MARQUEZ: Aye.

4 MR. SHEAFE: Aye.

5 MR. IRVIN: Aye.

6 MS. COX: Aye.

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

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

15 It's an interesting time --

16 The court reporter can't hear me?

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

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

25 Some of the activity you see around the

1 TCC, however, is residential, the seven-story  
2 residential complex going on at Church and Stone, the  
3 new Flin apartments, the HSL apartments, what used to  
4 be the old La Placita, and other residential  
5 complexes.

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

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

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

23           We will enable that 175-bed DoubleTree  
24 property by building a parking garage immediately to my  
25 left as you step out into that parking lot in the next

1 two years that will house a 350 four-story parking  
2 garage that is dedicated not only to the hotel, but to  
3 the TCC itself.

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

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

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

11 As of February 28, we had about \$5 million  
12 in the bank, and our protected revenues after bond  
13 payments and debt service, another 3.7 million. So  
14 available within the next year we're anticipating about  
15 \$8.8 million.

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

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

1 that construction will occur this summer.

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

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

9 For the calendar year 2018, we earned about  
10 15.8 million, again, which is significantly over our  
11 budget of 14.4.

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

15 CHAIRMAN McCUSKER: How does that compare  
16 to last year?

17 MR. MEYERS: Let's see here.

18 MR. SHEAFE: You have that on your list.

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

21 CHAIRMAN McCUSKER: There is an item in the  
22 downtown partnership report that's released on their  
23 website. The International Downtown Association did a  
24 study of downtowns and did a deep dive on downtown  
25 Tucson.



1                   And they identified that the sales tax in  
2     our downtown is up 66 percent. And I think that's the  
3     first number -- first time I've seen that kind of  
4     number other than what you reported with the sales  
5     tax.

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

9                   For this fiscal year, we're at about  
10    7.5 million. We had a couple rough months in October,  
11    I believe, October and September. But we're bouncing  
12    back from that nicely.

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

16                   CHAIRMAN McCUSKER: Any questions for Dan?  
17                   Thank you, sir.

18                   MR. MEYERS: Okay.

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

24                   One thing that we have to move pretty  
25    quickly on, in my opinion, is the garage. So I think

1 Caliber is expecting us, as a board, to make some  
2 commitments to the new parking structure on the east  
3 lot.

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

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

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

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

15 Michael.

16 MR. BECKER: Thank you.

17 Michael Becker with Swaim Associates.

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

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

1 line together.

2 We did submit a fee proposal for that work  
3 to the district. It came to a total of \$292,000.

4 About half of that is our garage consultant, so we have  
5 a specific consultant that's going to do the structural  
6 design and garage design for us.

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

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

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

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

23 CHAIRMAN McCUSKER: And your learned  
24 opinion about the estimate? I'm sorry. I was  
25 ballparking. I was pretty close?

1 MR. BECKER: Yeah.

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

9 Mr. Irvin?

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

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

25 That's my motion.

1 MR. SHEAFE: Second.

2 CHAIRMAN McCUSKER: Do you need to address  
3 the estimate?

4 MR. IRVIN: He already talked about the  
5 estimate, 292,000. I just assumed everybody had that,  
6 292,000.

7 CHAIRMAN McCUSKER: Mr. Sheafe, you  
8 seconded that?

9 MR. SHEAFE: I seconded.

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

14 MR. BECKER: Not yet.

15 CHAIRMAN McCUSKER: The east parking lot?

16 MR. BECKER: Lot A garage.

17 CHAIRMAN McCUSKER: Any other conversation?  
18 Brandi, call the roll.

19 MS. HAGA-BLACKMAN: Edmund Marquez?

20 MR. MARQUEZ: Aye.

21 MS. HAGA-BLACKMAN: Jannie Cox?

22 MS. COX: Aye.

23 MS. HAGA-BLACKMAN: Chris Sheafe?

24 MR. SHEAFE: Aye.

25 MS. HAGA-BLACKMAN: Mark Irvin?

1 MR. IRVIN: Aye.

2 MS. HAGA-BLACKMAN: Fletcher McCusker?

3 CHAIRMAN McCUSKER: Aye.

4 So that's unanimous.

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

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

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

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

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

22 We're contemplating the idea of another  
23 sheet of ice, additional parking structures in and  
24 around the complex, the restoration of the music hall,  
25 Leo Rich, and the Eckbo Plaza.

1           So this is probably our biggest undertaking  
2 ever. It is what the legislature deems as our primary  
3 component. And, again, we've pencilled some  
4 \$75 million total as to that kind of project.

5           So we've approved two of the more urgent  
6 pieces, the ice renovation, and then now the garage.  
7 And I think the rest of it we can probably entertain as  
8 a package.

9           Item Number 8, Access 12 property, this is  
10 the city-owned building on the corner of Broadway and  
11 5th.

12           Mr. Irvin.

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

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

22           As we're working through to try and put  
23 that into escrow with the City, somebody else stepped  
24 up. And we were asked if we would consider standing  
25 down. We agreed to do so. And now a couple months

1 later, we're back here.

2 The initial plan was to provide the City  
3 with a million dollars cash and then allow a drawdown  
4 of a million dollars on our money that the City owes us  
5 for the Depot Plaza Garage.

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

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

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

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

20 MS. COX: Second.

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

25 You suggested we now renegotiate our offer



1 to pay all of debt service?

2 MR. IRVIN: Correct. Not to exceed  
3 \$2 million.

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

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

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

16 MR. IRVIN: Correct.

17 CHAIRMAN McCUSKER: Any questions?  
18 Brandi, call the roll.

19 MS. HAGA-BLACKMAN: Edmund Marquez?

20 MR. MARQUEZ: Aye.

21 MS. HAGA-BLACKMAN: Jannie Cox?

22 MS. COX: Aye.

23 MS. HAGA-BLACKMAN: Chris Sheafe?

24 MR. SHEAFE: Aye.

25 MS. HAGA-BLACKMAN: Mark Irvin?

1 MR. IRVIN: Aye.

2 MS. HAGA-BLACKMAN: Fletcher McCusker?

3 CHAIRMAN McCUSKER: Aye.

4 So that's unanimous, too.

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

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

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

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

15 As an update --

16 MR. SHEAFE: Your name.

17 MR. DABDOUB: My name is Marcel Dabdoub.  
18 And my partner, Ron Schwabe, is back there.

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

22 They had an operation that was down in the  
23 industrial park, and we saw this opportunity to -- once  
24 it got to a certain scale, they moved their operation  
25 to Congress, including a food component.



1 terms of the intention. That existing floor is still  
2 all considered to be retail, with the exception of the  
3 one elevator lobby, which would maybe carve out  
4 500 square feet.

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

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

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

15 Is that still the vision or the extended  
16 stay?

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

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

1 if somebody were looking to do a live-work unit.

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

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

8 MR. DABDOUB: That's right.

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

11 MR. DABDOUB: Three floors.

12 MS. COX: Three. So we're talking about  
13 30 units?

14 MR. DABDOUB: 30 units, correct.

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

22 We haven't run the numbers in terms of tax  
23 revenue. Once we start -- once we book some finished  
24 units, I think what we would start is furnish some of  
25 them and start sort of testing that market.

1                   And based on that -- you know, the good  
2 thing is, we have flexibility of either leasing them  
3 out as they're workspaces if somebody wants to lease a  
4 studio unit or whatever work-related purpose or as a  
5 residential unit where the tenant is going to furnish  
6 that unit themselves or furnish the extended stay or  
7 short-term-stay units.

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

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

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

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

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

23                   CHAIRMAN McCUSKER: So, Mr. Collins, we  
24 have a draft, and that includes no cash from Rio Nuevo,  
25 a government lease, and a tax rebate. That's our kind

1 of typical approach, right? Anything unusual about  
2 this deal?

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

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

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

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

19 There is a rebate component, as you are  
20 doing. These folks are now budgeting roughly  
21 \$10 million of improvements, and their cap on that  
22 rebate is \$2.175 million, so ...

23 CHAIRMAN McCUSKER: So we do need to  
24 authorize the signing subject to the economic study?

25 MR. COLLINS: Correct.

1 CHAIRMAN McCUSKER: So that --

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

7 MR. IRVIN: Second.

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

10 Brandi, call the roll.

11 MS. HAGA-BLACKMAN: Edmund Marquez?

12 MR. MARQUEZ: Aye.

13 MS. HAGA-BLACKMAN: Jannie Cox?

14 MS. COX: Aye.

15 MS. HAGA-BLACKMAN: Chris Sheafe?

16 MR. SHEAFE: Aye.

17 MS. HAGA-BLACKMAN: Mark Irvin?

18 MR. IRVIN: Aye.

19 MS. HAGA-BLACKMAN: Fletcher McCusker?

20 CHAIRMAN McCUSKER: Aye.

21 And that's another unanimous decision.

22 Thank you very much.

23 MR. DABDOUB: Thank you very much.

24 MR. SCHWABE: Thank you.

25 CHAIRMAN McCUSKER: Mr. Collins, I don't



1 think we need to do anything on the 75 E. Broadway save  
2 maybe pray?

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

5 CHAIRMAN McCUSKER: So everything is moving  
6 along?

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

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

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

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

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

1 that process.

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

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

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

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

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

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

24 We have talked about --

25 Mr. Irvin, hang on.

1                   We have talked about the idea of soliciting  
2 partners. Am I properly agendized to have that  
3 conversation?

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

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

9                   MR. COLLINS: Correct.

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

12                  MR. COLLINS: Correct.

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

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

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

24                  CHAIRMAN McCUSKER: It's more of an  
25 indication of interest. It's competitive. It solicits

1 people and people's ideas.

2 MR. COLLINS: Right.

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

5 MR. COLLINS: Right.

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

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

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

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

14 CHAIRMAN McCUSKER: Well, it's a  
15 solicitation.

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

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

25 CHAIRMAN McCUSKER: So we can instruct you to

1 go ahead and draft the RFQ for development partners on  
2 the Broadway --

3 MR. COLLINS: You can --

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

6 MR. COLLINS: Yes, I can do that.

7 CHAIRMAN McCUSKER: Any objection?

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

12 CHAIRMAN McCUSKER: It's a big project.  
13 I'd rather do it in a public meeting.

14 MS. COX: Okay.

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

18 MS. COX: Right.

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

21 MS. COX: Okay. Thank you.

22 MR. COLLINS: Sure.

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

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

1 next agenda.

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

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

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

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

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

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

22 MR. COLLINS: Mr. Chairman, Mr. Sheafe, you  
23 can get as detailed or as general as you like. I  
24 received specific instructions from, as you know, the  
25 board in E session on this particular topic. And the

1 name of the employer remains confidential at this  
2 point.

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

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

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

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

17 So I would put forth a motion, and the  
18 motion would be to approve parking support, because  
19 that's what this money is for, consistent with our  
20 discussion to authorize counsel to work directly with  
21 representatives of the employer and Sun Corridor to  
22 finalize documents to certify our commitment and to  
23 authorize executive officers to approve the final and  
24 finished product to establish their commitment from the  
25 district to the employer based on their actually

1 locating here.

2 MR. MARQUEZ: Second.

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

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

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

15 So we have a motion and a second.

16 Mr. Irvin is not allowed to vote on this.

17 Brandi, call the roll.

18 MS. HAGA-BLACKMAN: Edmund Marquez?

19 MR. MARQUEZ: Aye.

20 MS. HAGA-BLACKMAN: Jannie Cox?

21 MS. COX: Aye.

22 MS. HAGA-BLACKMAN: Chris Sheafe?

23 MR. SHEAFE: Aye.

24 I just want to acknowledge that Sun  
25 Corridor played a huge role in putting this together.



1 MS. HAGA-BLACKMAN: Fletcher McCusker?

2 CHAIRMAN McCUSKER: Aye.

3 So that's unanimous.

4 Good luck, you guys. That's -- bring a  
5 big-league employer to downtown Tucson.

6 This is the time we set aside to call the  
7 audience.

8 Brandi, do you have any signed -- if  
9 anybody would like to say anything, stick your hand up  
10 in the air. Come on up. If not --

11 Go ahead.

12 MS. VAN DRUNEN LITTOOY: I don't want to  
13 bypass the opportunity. Nice to see you. Karla  
14 Van Drunen Littooy. I'm with an organization called  
15 TCC Today. And I've recently been appointed as a  
16 commissioner for Ward 2 for the TCC commission.

17 I had an opportunity at the most recent  
18 commission meeting to see Tim Smith -- he's a principal  
19 with Swaim -- his presentation on the garage.

20 And I just want to offer to you some  
21 impressions that I have, given the experience that I  
22 have in this district, and that is that Tim said that  
23 at a budget of 5 million, it would be a U-tile  
24 facility.

25 And when you drive down Church towards the

1   barrio, that four-story structure is going to be much  
2   larger than everything in a couple-block radius. And  
3   you --

4                   CHAIRMAN McCUSKER: Except for the new  
5   hotel.

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

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

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

21                  And, you know, maybe we could go so far as  
22  to take some inspiration from Bertrand Goldberg and his  
23  corncob parking structures in Chicago.

24                  Let's just think a little out of the box,  
25  because that structure is going to be there for well

1 beyond my lifetime.

2 Thank you.

3 CHAIRMAN McCUSKER: Thank you very much.

4 Anybody else?

5 Entertain a motion to adjourn?

6 MR. SHEAFE: So moved.

7 MR. MARQUEZ: Second.

8 All in favor say aye.

9 MR. MARQUEZ: Aye.

10 MR. SHEAFE: Aye.

11 MR. IRVIN: Aye.

12 MS. COX: Aye.

13 CHAIRMAN McCUSKER: See you all next month.

14 (The proceedings concluded at 3:02 p.m.)

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C E R T I F I C A T E

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STATE OF ARIZONA )  
: ss.  
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  
CERTIFIED REPORTER #50669  
Kathy Fink & Associates  
No. R1003

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