

**In The Matter Of:**

*Rio Nuevo  
Board Meeting*

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*7/22/25  
July 22, 2025*

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*Fink & Associates  
6095 E Grant Road  
Tucson, AZ 85712*

<p style="text-align: center;">RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT</p> <p style="text-align: center;">BOARD MEETING VIA ZOOM Tucson, Arizona July 22. 2025 1:00 p.m.</p> <p>REPORTED BY: Thomas A. Woppert, RPR AZ CCR No. 50476</p> <hr/> <p style="text-align: center;">FINK &amp; ASSOCIATES 6095 East Grant Road Tucson, Arizona 85712 (520)624-8644</p>	<p style="text-align: right;">Page 3</p> <p>1       <b>CHAIRMAN McCUSKER:</b> Good afternoon, everyone. 2 Welcome to the July Rio Nuevo meeting. 3       Brandi, bless her heart, is at jury duty, so 4 we're having some adventures with the Zoom. 5       Jannie, I think you're on the public side, and 6 I think Edmund might have gone straight to exec. But 7 indeed we have a quorum, so I'm going to call this meeting 8 to order. 9       Huna, you have a virtual flag? 10       <b>MR. HAMMOND:</b> I do. I'll try and share it and 11 test our connection here. 12       (Discussion off the record) 13       <b>CHAIRMAN McCUSKER:</b> Let's see. Dan, when is 14 the last time you led the pledge? 15       <b>MR. MEYERS:</b> Never. 16       <b>CHAIRMAN McCUSKER:</b> There you go. 17       (Pledge of Allegiance). 18       <b>CHAIRMAN McCUSKER:</b> We might have to go back to 19 Corky. 20       Tim, do you want to call the roll? 21       <b>MR. MEDCOFF:</b> Sure. 22       Mike Levin. 23       <b>MR. LEVIN:</b> Here. 24       <b>MR. MEDCOFF:</b> Taunya Villicana? 25       <b>MS. VILICANA:</b> Present.</p>
<p style="text-align: right;">Page 2</p> <p>1 <b>BOARD MEMBERS PRESENT:</b> 2       Fletcher McCusker, Chair 3       Edmund Marquez, Vice Chair 4       Taunya Villicana, Secretary 5       Jannie Cox 6       Shay Jimenez 7       Richard Oseran 8       Michael Levin 9       Corky Poster 10 11 <b>ALSO PRESENT:</b> 12       Ms. Brandi Haga-Blackman, Administrative Director 13       Mr. Timothy Medcoff, Board Counsel 14       Mr. Mark Collins, Board Counsel 15       Mr. Dan Meyers, CFO 16       * * * * 17 18       BE IT REMEMBERED that a meeting of the Board of 19 Directors of the Rio Nuevo Multipurpose Facilities 20 District was held via ZOOM, in the City of Tucson, State 21 of Arizona, before THOMAS A. WOPPERT, RPR, Certified 22 Reporter No. 50476, on the 22nd day of July 2025, 23 commencing at the hour of 1:00 p.m. 24 25</p>	<p style="text-align: right;">Page 4</p> <p>1       <b>MR. MEDCOFF:</b> Corky Poster. 2       <b>MR. POSTER:</b> Here. 3       <b>MR. MEDCOFF:</b> Jannie Cox. 4       <b>MS. COX:</b> Here. 5       <b>MR. MEDCOFF:</b> Shay Jimenez. 6       <b>MS. JIMENEZ:</b> Here. 7       <b>MR. MEDCOFF:</b> Richard Oseran. 8       <b>MR. OSERAN:</b> Here. 9       <b>MR. MEDCOFF:</b> And Fletcher McCusker. 10       <b>CHAIRMAN McCUSKER:</b> I'm here. 11       Mr. Sheafe is traveling and Mr. Marquez already 12 moved himself to the executive session. 13       So we do have some minutes to approve. You 14 have two sets of minutes, June 10th and June 24th. If you 15 don't have any changes or objections, I can take a motion 16 to approve both. 17       <b>MS. VILICANA:</b> So moved, Taunya. 18       <b>MS. COX:</b> Second. 19       <b>CHAIRMAN McCUSKER:</b> Jannie, thank you. 20       All in favor say aye. 21       (Motion made, seconded and passed unanimously). 22       <b>CHAIRMAN McCUSKER:</b> Thank you for that. 23       This is the time we've set aside for exec. We 24 just need a motion to recess. 25       <b>MS. VILICANA:</b> Move to --</p>

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1       **MR. LEVIN:** Second.  
2       **CHAIRMAN McCUSKER:** All in favor say aye.  
3       (Motion made, seconded and passed unanimously).  
4       **CHAIRMAN McCUSKER:** So for people that are  
5 online, we go into executive session. Today it will  
6 probably be about 40 minutes, 45 minutes, and then we will  
7 be back.  
8       Members, click out of this. You should have a  
9 link to the executive session.  
10       (Recess)  
11       **CHAIRMAN McCUSKER:** Okay. I need a motion to  
12 reconvene.  
13       **MS. COX:** So moved.  
14       **MR. LEVIN:** Second.  
15       **CHAIRMAN McCUSKER:** Thank you.  
16       All in favor say aye.  
17       (Motion made, seconded and passed unanimously).  
18       **CHAIRMAN McCUSKER:** Thank you, everyone, and  
19 welcome back to the July Rio Nuevo regular meeting.  
20       You can see we've got a busy day with some  
21 really fun projects all from our local partners. Many of  
22 them will be present.  
23       I am going to table the Country Home item.  
24 That's Nate Ares' project on the south side of Broadway.  
25 We're looking for some more data before that gets back on

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1 the agenda, so everything else survived the executive  
2 committee meeting.  
3       I do want to take a little -- if you'll indulge  
4 me, I'm going to share my screen. I should have it.  
5       Huna, give me screen share.  
6       **MR. HAMMOND:** I forgot from earlier.  
7       There you go.  
8       **CHAIRMAN McCUSKER:** Let's see where it went.  
9 Let me find this page.  
10       Okay. Now I've got share.  
11       Do you see a video?  
12       **MR. MARQUEZ:** Yep.  
13       (Video played).  
14       **CHAIRMAN McCUSKER:** So that should have  
15 stopped. Yes. Thank you.  
16       Jannie, thank you so much. You know, it's a  
17 really great 12 minutes representing what you've done for  
18 a year or longer. We wanted the community to preview  
19 that.  
20       If you want to just again mention your schedule  
21 for -- I think you're sold out, so there's no room for  
22 anybody else, but --  
23       **MS. COX:** Well, there's no room. We are  
24 oversold out, but our event to celebrate the four new  
25 murals and Tucson's 250th birthday is this Friday at

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1 HighWire. And we have -- as Fletcher said, we're well  
2 over capacity. I call it sold out. It's a free event,  
3 but it requires reservations, so those who don't have one  
4 will have to miss this one. But there's no reason to miss  
5 the murals. Just be downtown and it's easy to find them.  
6 They're beautiful, four murals. And it's only a one-mile  
7 walk between the four murals. But we plan to walk  
8 hundreds of people around that walk.  
9       And Tucson Trolley thankfully has donated their  
10 trolley to the event this Friday evening and they are  
11 going to -- Tom Heath told me they will make as many runs  
12 as there are people, which I think we've got way more  
13 people than he can handle, but he said he'll keep going  
14 around as long as somebody wants to go, so it's going to  
15 be a great event.  
16       **CHAIRMAN McCUSKER:** All right. We have some  
17 money in the new year for murals. We've also assigned  
18 that to Jannie, so she's leaving a real legacy as her part  
19 of Rio Nuevo.  
20       So you don't need to hear anything else from  
21 me.  
22       Dan, go ahead with your financial report.  
23       **MR. MEYERS:** Okay. This is Dan Meyers. I'm  
24 the CFO here at Rio Nuevo.  
25       At the end of June, we had about \$8.5 million

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1 in unrestricted accounts. Of that \$730,000 is restricted  
2 to make our July 1st debt service leaving about  
3 \$7.75 million.  
4       We're still waiting on some information to make  
5 the calculations for our March and April rebates. I  
6 expect that to be about \$250,000.  
7       And then our April TIF revenue, typically we  
8 get those within 60 days. It lagged and we didn't get  
9 those until early July, so I add those back.  
10       And then we are -- with our new budget, we're  
11 expecting about \$475,000 of income or cash each month.  
12 And since we do this over a 12-month period, 5.7 million,  
13 coming up with about \$15 million in available cash.  
14       **MR. MEDCOFF:** Dan, do you want me to share my  
15 screen on this?  
16       **MR. MEYERS:** Oh, yeah. I'm so sorry, Tim.  
17       **MR. MEDCOFF:** I've got it up. Go ahead.  
18       **MR. MEYERS:** Okay.  
19       Okay. So as far as committed projects, we've  
20 got about \$17 million of projects on our books as of now.  
21 6 million of that is expected to be paid out outside of  
22 the next 12 months leaving about \$11 million, so you see  
23 that we've got about a 4 million-dollar -- I guess I'll  
24 call it a cushion for the time being.  
25       Just a couple comments. Our revenues have been

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1 strong. We're averaging \$1.623 million for the first 11  
2 months. I expect our revenue to come in very close to  
3 \$20 million this year, which is, you know, our all-time  
4 record and I think it's evidence that our projects we're  
5 bringing on board are continuing to generate more  
6 tax dollars for the state of Arizona and the city of  
7 Tucson.

8 If you want to go over the project list on the  
9 next page, we go over these about every month, you see  
10 them listed item by item. The ones in -- that are  
11 highlighted, those are the ones that are expected -- some  
12 portion at least to be expected to be paid outside of the  
13 next 12 months. The big one in there, of course, is the  
14 Moxie Hotel. And so that amount comes up to again about  
15 \$6 million.

16 Does anybody have any questions on any of this?  
17 (No oral response).

18 **MS. COX:** No questions, but you do such a great  
19 job for us, so --

20 **MR. MEYERS:** Oh, thank you. Well it's a --

21 **MS. COX:** Tracking down those dollars, too,  
22 from the non-payers is a big deal.

23 **MR. MEYERS:** Well, I appreciate that. And, you  
24 know, when you see things like these murals, it kind of  
25 makes you proud to be part of the organization, so thank

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1 you, Jannie.

2 **MS. COX:** Thank you.

3 **CHAIRMAN McCUSKER:** We have mentioned that in  
4 the past couple of meetings, we didn't talk about it much  
5 during the budget process, but \$20 million of annual  
6 revenue, when we started -- Edmund and I started, that was  
7 \$9 million. And all of that \$9 million went to the state,  
8 so Rio Nuevo only participates in the incremental amount,  
9 the amount above the base, so we've more than doubled the  
10 tax base within our geography. And when people say, oh,  
11 you know, you guys just give money away, you can see it in  
12 the return of tax dollars paid back to us.

13 We don't get an appropriation from the state.  
14 The only money we create is money that we create through  
15 economic development. And that's now, as Dan indicated,  
16 approaching \$2 million a month, so it's really quite  
17 extraordinary.

18 I will mention I heard from the auditor general  
19 last week. We get an auditor general audit every three  
20 years. They told me that they've awarded that contract.

21 And, Dan, we should expect them on site here in  
22 the next few weeks.

23 That's a performance and a financial audit and  
24 it takes about 60 to 90 days before that gets published.

25 **MR. MEYERS:** Yeah, we're starting our financial

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1 audit next Wednesday. The auditors are coming out for our  
2 annual audit. And, like you said, that kind of feeds  
3 itself into the performance audit as well, so we've got a  
4 busy couple months coming to get these --

5 **CHAIRMAN McCUSKER:** And all of that's available  
6 online and fully transparent.

7 Speaking of the budget, item number seven, we  
8 do have a couple of budget items that we didn't consider  
9 when we passed the original budget. One of those is just  
10 the timing issue as it relates to cash on hand. We had  
11 some money come in after the end of our fiscal year,  
12 June 30th. We forgot about Jannie's request to provide  
13 some maintenance to the Presidio project. That was a  
14 \$50,000 request. Dan and I just inadvertently left that  
15 out of the budget.

16 And we now have a pretty serious cost overrun  
17 for the renovation of the Sosa-Carrillo house. And I  
18 think Michael Becherer is online, I hope, to help us with  
19 that portion of the budget problem.

20 **MR. BECHERER:** Yes, sir, I'm here.

21 **CHAIRMAN McCUSKER:** So what we do in these  
22 situations since the budget is relatively new is actually  
23 ask the board to look at these items and we would amend  
24 the budget accordingly.

25 So we can -- let's hear from Michael about the

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1 Sosa house, and then we can entertain these all together  
2 or one at a time.

3 Michael.

4 **MR. BECHERER:** Thank you, Mr. Chairman.

5 I'm happy to be here. I'm not happy about why  
6 I'm here. This is not conversations I like to have with  
7 clients and I just -- rest assured I wouldn't be here if  
8 we had any other choices.

9 I've got a presentation I'll walk through to  
10 explain what's going on at the Sosa-Carrillo house.

11 You know, obviously it's a very old structure  
12 and it's an individually listed historic structure. And  
13 as we got into it and started to understand the actual  
14 condition of the house and what was necessary, it became  
15 apparent that more work was needed.

16 And I'll go over just at a high level the big  
17 pieces that are contributing to this. I'll go through  
18 this quickly, I know you have a long agenda and some other  
19 items, and then we can obviously have a discussion  
20 afterwards, so --

21 **CHAIRMAN McCUSKER:** We do have a lot of new  
22 people, Michael. If you just maybe want to give a  
23 two-minute history of the Sosa-Carrillo house, you know,  
24 when was it built why is it so important.

25 **MR. BECHERER:** Yes, I will.

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1       **CHAIRMAN McCUSKER:** Thank you.  
2       **MR. BECHERER:** Absolutely.  
3       All right. So you should see my screen now.  
4       **CHAIRMAN McCUSKER:** Yes, sir.  
5       **MR. BECHERER:** So on the screen is the  
6 Sosa-Carrillo house. It was actually built -- the current  
7 version of it it appears was built in the late 1850s. It  
8 had been a home for a very long time.  
9       In the 1960s it was one of three structures  
10 that were preserved during urban renewal. It was actually  
11 stated for demolition, but the local preservationists in  
12 the late '60s rallied to save the building and were  
13 successful doing that.  
14       The building did go through a fairly major  
15 renovation in the 1970s and was owned by the Arizona  
16 Historical Society up until two years ago when Rio Nuevo  
17 acquired it.  
18       And I'll talk about this a little bit. You  
19 know, the Historical Society's ownership of it in the last  
20 ten years, due to state funding cuts to the Historical  
21 Society, they were unable to maintain the building, which  
22 led to some of the issues that we're looking at today, but  
23 not all of them. Some of the things we're dealing with  
24 are just intrinsic to buildings, particularly adobe  
25 buildings that are this old.

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1       And just to remind everyone, an adobe building  
2 is essentially a mud brick, so it is basically made out of  
3 dirt and we're trying to maintain a building, you know,  
4 that's 170 years old to last another, you know, basically  
5 50 to 75 years in its current position.  
6       So as far as the overall project status goes,  
7 it is --  
8       I'm sorry. The building itself is in the  
9 center of the TCC campus. It is currently owned by Rio  
10 Nuevo. Los Descendientes is in the building and uses  
11 that. They have a long-term lease with Rio Nuevo to use  
12 that building for cultural events.  
13       And parallel to this restoration project, Los  
14 Des has gotten a Melon grant that Rio Nuevo matched to do  
15 some educational enrichment and ADA upgrades and site  
16 upgrades to the building itself and the site, so they  
17 are -- they --  
18       Ricki Rojas with Los Des to her credit went out  
19 and got a substantial grant to be able to further improve  
20 this property, but the restoration project we've always  
21 carried as a separate line item from the Los Des and the  
22 Melon grant that they're working with right now.  
23       So if we look back at the project status, in  
24 July of '22, I believe, Rio Nuevo approved about  
25 \$1.2 million for this restoration project. It was not

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1 until the fall of the following year that Los Des got the  
2 Melon grant and Rio Nuevo agreed to match that, so at the  
3 end of '23, created that second scope of work that we had  
4 started to do the design work and permitting for that.  
5       We really didn't finalize our permits because,  
6 remember, this is an individually listed property with the  
7 National Park Service, so we had to go through the full  
8 historic review process. We didn't get those final  
9 approvals until spring of this year for the extent of the  
10 work that we are doing, and then we are working with Sundt  
11 on the project as our general contractor, and they've  
12 finalized their GMP just in the last month.  
13       Currently we do have approved permits and we  
14 are ready to start construction, you know, but  
15 unfortunately we have this issue that we need to resolve  
16 in terms of the overall funding of the project.  
17       So to talk through the scope, again, you know,  
18 I've covered this already, but this is an old Sanborn map  
19 from 1883 when Main Street and Meyer was still there. You  
20 can see the red box is the Sosa-Carrillo house. That's  
21 the earliest recorded form. We know it was constructed in  
22 its current form in 1850, the renovations were in the '70s  
23 and, as I said, the HS ownership was up until just  
24 recently.  
25       The current condition, it was fully restored in

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1 the 1970s. This photograph is from the late '60s prior to  
2 that restoration. It was well intentioned, but it was --  
3 there were things that were done at that time that are not  
4 considered best practices and probably added to the damage  
5 of the building.  
6       The most notable that most people know about is  
7 they did use a cement plaster on the outside of the  
8 building. It would traditionally have been lime. The  
9 lime plaster breathes and causes moisture to move out of  
10 the wall. The cement plaster traps that moisture and  
11 causes the adobe to actually deteriorate and again turn to  
12 dust at some point.  
13       You know, the second issue with the condition  
14 again was the HS ownership. Again, very well intentioned.  
15 They maintained the house for a very long time, but they  
16 simply -- due to the state budget funding, they were  
17 unable to maintain the building at the level it needed at  
18 least for the last decade, maybe longer.  
19       I pulled a report that Mr. Frost did, you know,  
20 15 years ago that basically said the same thing that we  
21 were saying two years ago, so this building has had some  
22 continued problems going on up until the -- to the modern  
23 area.  
24       The restoration scope of the project that we  
25 had proposed and was funded originally was to reinforce

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1 the foundations. We see cracking in the building that is  
2 clearly evident of movement in the walls, that the  
3 building is settling. The adobe needs to be restored as I  
4 mentioned. Moisture was trapped and moisture would wick  
5 up through the ground into those adobe walls and have them  
6 deteriorate to the point where there are areas in the  
7 building you can drill a hole through the plaster and dust  
8 will come out because the adobe has deteriorated.  
9 The west-facing windows and doors which are in  
10 this lower drawing have all substantial sun damage and dry  
11 rot, so those need to be restored as well. The stucco all  
12 over the buildings really should be fully removed and  
13 replaced with a lime plaster so that the building can  
14 breathe and will just be healthier moving forward into the  
15 future.  
16 We are doing some site modifications to keep  
17 the moisture away from the building so the building  
18 itself, we don't get the wicking from the ground to get  
19 the water up into those adobe walls anymore and we don't  
20 have water ponding against the building any longer. This  
21 has primarily been an issue on the south side of the  
22 house, the southwest corner to be exact.  
23 There were a few electrical upgrades we need to  
24 make, just code violations that need to be fixed, and then  
25 the HVAC unit is -- it's at the end of its life. It

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1 simply cannot function any longer and needs to be  
2 replaced.  
3 You know, along with these sort of specific  
4 items, the discussion also was around this very clear  
5 understanding of the legacy of this building on this  
6 campus and that we do need to do what we can to preserve  
7 it, so the intent for this restoration was for the  
8 building to last at least another 50 to 75 years.  
9 Again, the last major renovation was done in  
10 1970, which is roughly 50 years ago, so it is time to do  
11 this again. And the restorations in the '70s were  
12 extensive, so it was no small task to begin with.  
13 So we'll talk about the original budget. You  
14 know, it was approved by the board in '22. The budget was  
15 fundamentally based -- when we put the budget together,  
16 the board did not acquire the property yet. It was still  
17 owned by AHS, so we did mostly a visual inspection with  
18 bringing in some local experts in adobe construction in  
19 the spring of '22.  
20 We did some minimal destructive investigation  
21 just to understand the condition of the adobe in general,  
22 and then we also sort of assumed best practices and the  
23 conditions of similar historic structures, so we worked  
24 with people who work with these buildings to come up with  
25 the overall best guess that we could in terms of what the

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1 scope would be to stabilize this building and make sure  
2 that it lasted into the future.  
3 And then all of that original budgeting  
4 obviously was done just on some basic concept design, so  
5 the full detail of what needed to happen was not fully  
6 developed at that time, so I think the overall scope is  
7 probably a little under where it should have been. We  
8 could have made some adjustments and probably fit in this  
9 budget had things been the way we expected them to be, but  
10 we found some things that simply aren't what we would  
11 normally find.  
12 You can see the budget here. It's broken down  
13 between -- design costs are basically different design  
14 fees. Planning costs are permits. You can see the direct  
15 construction costs for the adobe doors and windows, the  
16 roof, HVAC.  
17 And then our contingency is the last item,  
18 which is just the money we need to cover unforeseen  
19 conditions, which got us to the 1.28 million, which is  
20 what was originally approved back in '22.  
21 **MR. MARQUEZ:** Michael, it's Edmund. I've got a  
22 question if you can go back a screen.  
23 (inaudible) historical designation and  
24 importance of this property, there's obviously pieces that  
25 we're modernizing from HVAC, like they didn't have this

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1 HVAC back in the day, or as we bring in electrical  
2 repairs, you bring in modern wire and --  
3 **MR. BECHERER:** Correct.  
4 **MR. MARQUEZ:** -- you know, the boxes, et  
5 cetera. Is there a certain line you can cross or can't  
6 cross? Like in regards to adobe, they have synthetic  
7 stucco nowadays, you know, more modern materials that may  
8 assist us. Are we allowed to -- I see Corky shaking his  
9 head, so is there anything that we can do to help  
10 modernize the materials?  
11 **MR. BECHERER:** Again, I rely on my consultants  
12 to give me the information on this. The information that  
13 I've been given is that the lime plaster is really the  
14 best solution in terms of being able to maintain the  
15 building long term. It is still the best material in  
16 terms of a stucco coating.  
17 Obviously we would, you know, do everything  
18 else we can on top of that. When we're rebuilding the  
19 adobe blocks themselves, they create a mixture of adobe  
20 that as closely as it can matches the original adobe so  
21 that everything moves together.  
22 What you don't want is to have differential  
23 movement between different materials. So if we go in  
24 using modern and more experimental materials than what was  
25 traditionally used, there's a risk of unforeseen

1 consequences in the future that I'm not sure we're really  
2 comfortable taking on like the cement plaster. Like  
3 everyone in the '70s thought the cement plaster was great.  
4 It was low maintenance, it was durable, it would last  
5 forever. It just wasn't expected what it would actually  
6 do to the adobe in the long term as it trapped the  
7 moisture within the wall.  
8 **MR. MARQUEZ:** Okay.  
9 **MR. BECHERER:** Does that answer your question.  
10 **MR. MARQUEZ:** Yeah, that's good. I don't know  
11 adobe construction.  
12 **MR. BECHERER:** Corky, would you agree with  
13 that?  
14 **MS. COX:** I took a tour of the Cordova house  
15 last year after restoration. It was the same story, the  
16 same stuff about the moisture being trapped in the walls  
17 and --  
18 **MR. POSTER:** Yeah. No, I would agree with  
19 Michael. The approach they're doing is exactly the right  
20 approach. I mean, the problem in the '70s was someone  
21 said isn't there a great new modern material we could use  
22 and it seemed like a great idea at the time. It turned  
23 out not to be a great idea.  
24 I should say that cement plaster is not always  
25 a bad thing if there's no water involved. It becomes

1 really dangerous when the adobe is trapping water usually  
2 coming up from the ground or from surface water and  
3 then -- and then the cement plaster over adobe becomes a  
4 really big problem. And clearly with the wicking of water  
5 into this building, that's exactly what's happened.  
6 Michael, can I ask you a question?  
7 **MR. BECHERER:** Yes.  
8 **MR. POSTER:** Do you have an adobe repair  
9 allowance or is that in the contingency?  
10 Let me explain why I'm asking the question.  
11 We're right now working on the commissary at Ft. Lowell  
12 and we've -- for exactly the purpose you gave. We're  
13 stripping the existing plaster off and we're discovering  
14 adobe damage that we had no way of seeing and we had a  
15 substantial adobe repair contingency in our budget that  
16 allowed us to make the repairs that were discovered after  
17 the plaster was removed and still not bust the budget when  
18 we did it.  
19 **CHAIRMAN McCUSKER:** I think that's the next  
20 slide, because we didn't have any contingency.  
21 **MR. BECHERER:** To answer your question more  
22 directly, Corky, the adobe restoration budget is  
23 established by -- we're working with Eric Means on this  
24 project and he's been able to do some fairly extensive  
25 destructive testing and analysis of the building, so he is

1 confident and he understands the extent of the adobe  
2 repair that's required right now, so we believe that  
3 that's actually captured within the adobe restoration  
4 budget number line item at this point.  
5 **CHAIRMAN McCUSKER:** So, Michael, go to the --  
6 run what you need to finish.  
7 **MR. BECHERER:** Okay. I'll go over this quick.  
8 This is the new budget. The numbers in red are  
9 the ones that are in excess. You know, as the budget has  
10 increased and we needed additional design assistance,  
11 particularly an engineer familiar with adobe construction,  
12 we had some additional design fees, and then there were  
13 just items that weren't broken out separately in the  
14 original budget like pre-construction services for the  
15 contractor. But you can see some of these numbers do get  
16 quite high.  
17 The next slide actually shows the overage, so  
18 this is how far over each item is from the original  
19 budget. Items in black are under, so it's not all over, a  
20 little -- not that much help, but certainly just to note  
21 that.  
22 The biggest number in here is the adobe  
23 restoration number, and then the contractor overhead is  
24 over quite a bit as well. Some of that is because our  
25 adobe expert that is doing the work, the scale of his

1 business is such that they need to get additional  
2 insurance for him as well, so there's some additional  
3 costs in the contractor overhead for that, so it comes up  
4 to basically \$429,000 over budget right now.  
5 You know, we did at this point perform some  
6 extensive destructive testing now that Rio Nuevo owns the  
7 house. We have had two years to actually observe the  
8 movement. And I'll show you some of the things that we're  
9 seeing and why we have a better understanding of what's  
10 happening with this building at the point.  
11 We have included some scope for some roof  
12 reinforcement that's related to seismic movement. This  
13 could be deferred. You know, we would recommend we do it,  
14 but it's not required at this point. I will talk through  
15 that and what that means, but these numbers are based on  
16 the full documentation, so at the very least we know these  
17 numbers are correct.  
18 But to walk through this more precisely, like I  
19 said, the adobe restoration is about \$329,000 over. I  
20 have three major items I'll show you in just a minute that  
21 are contributing to that overage, but the door and window  
22 restoration, that -- you know, under a normal project,  
23 that overage would be absorbed by the contingency, it  
24 would not be an issue. Same with the HVAC. There's some  
25 miscellaneous cost, you know, and then the contractor

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1 overhead is just -- some of that is also just the  
2 expansion of the project scope has caused the contractor's  
3 overhead to increase as well.  
4 The contingency, we've actually reduced that  
5 significantly because we do have a better understanding of  
6 the building and we do feel we have the scope correct now.  
7 So we still do carry a contingency, but we were -- we did  
8 reduce that contingency as we move into construction  
9 because we feel -- we basically reallocated that money  
10 elsewhere in the budget at this point.  
11 So the major contributing --  
12 **MR. POSTER:** Michael --  
13 **MR. BECHERER:** Yes, sir.  
14 **MR. POSTER:** -- question.  
15 That's a contractor's contingency; correct?  
16 **MR. BECHERER:** That is correct.  
17 **MR. POSTER:** Okay.  
18 **MR. BECHERER:** But I will say, Corky, at this  
19 point we have combined -- we do not have a separate  
20 owner's contingency any longer for this project, so that's  
21 what we have moving into construction as a total  
22 contingency at this point.  
23 **MR. POSTER:** Just for the other board members,  
24 the reason I'm asking that question is a contractor's  
25 contingency generally is under the control of the

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1 contractor. They will inform when they're using it, but  
2 it's not -- it's under their control and it's basically  
3 for things that they would typically -- in a hard bid they  
4 would have put that number in, and so this is under their  
5 control. If there's money left at the end of the project,  
6 Rio Nuevo gets it back, but it's not at our discretion,  
7 it's at their discretion.  
8 **MR. BECHERER:** Yes. It would not be for added  
9 scope, for instance, if we wanted to add other features to  
10 the building.  
11 **MR. POSTER:** Correct.  
12 **MR. BECHERER:** So the major contributing  
13 factors that are causing this, one, is we have very deep  
14 foundations. We did not expect this. The foundations of  
15 this building are up to six feet deep and there's actually  
16 five separate foundations under this building. So when I  
17 said this building was built in the late 1850s in its  
18 current form, that's because there were at least four  
19 buildings on this site prior to this one. And typically  
20 what would happen is, you know, the river would flood, it  
21 would take the house out, the family would come back,  
22 they'd raise the foundation and build another house on top  
23 of it. So our expectation is that we would have a shallow  
24 foundation, that we could dig a fairly shallow trench, get  
25 underneath that to basically underpin with new concrete

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1 the existing foundations and we expected to do that only  
2 at the corners of the building. Now with the realization  
3 that these functions are this deep, it's going to be  
4 incredibly disruptive and quite expensive to dig deep  
5 enough to get down under these foundations to put in the  
6 underpinning as we are proposing it.  
7 We've also seen additional movement over the  
8 last two years that tells us that we need to do a more  
9 extensive foundation reinforcement than we had originally  
10 planned on. You know, the building had been maintained to  
11 the point where the cracks were being repaired. We  
12 haven't been repairing the cracks for the last two years  
13 intentionally so that we can see how the building is  
14 actually moving.  
15 So our solution for this --  
16 Because to dig down that deep requires very  
17 deep trenching, it requires safety measures, a great deal  
18 of work. We would have to take down parts of the site  
19 wall. It expands the scope of work to the point that it's  
20 much more expensive than we expected.  
21 The solution that we're proposing for this is  
22 to basically above the function wall is to put a bond beam  
23 around the building on the three sides that are adobe to  
24 distribute the load of the adobe across the stone  
25 foundations in a more uniform manner and tie the building

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1 back together.  
2 So what we're seeing is, because the  
3 foundations are so deep, they're not moving as much as we  
4 think they are and really the movement is coming from the  
5 adobe itself, so if we can repair the adobe and basically  
6 distribute this load more efficiently across the existing  
7 foundations, it will essentially solve the problem that  
8 we're seeing with the kind of cracking you typically see  
9 from settlement. So we're currently proposing to do that  
10 on three sides of the building.  
11 Let me bring up the plan.  
12 This is the plan of the building. So that bond  
13 beam would go around the south, the west -- I'm sorry, the  
14 northwest and south sides. The east side of the building  
15 was completely rebuilt in the '70s and does not have any  
16 issues right now. It's also not adobe. It's a burnt  
17 adobe, so it's an actual masonry product.  
18 The cost reduction here is the north wall is  
19 probably in the best shape of all of them, so we could  
20 eliminate that bond beam from the scope of work and reduce  
21 that -- you know, the foundation reinforcement number, you  
22 know, probably by a third.  
23 I'll talk about overall cost savings when I get  
24 to the end of this, but, you know, there are some areas we  
25 can save some money. We recommend that we do it for the



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1 longevity of the building, but if we do need to save some  
2 money, that would be one option.  
3 We do know that the -- sorry. Let me go back  
4 to that. We do know the south corner -- southwest corner  
5 is where most of the water has collected, so that's one of  
6 the major issues that we're having along with the south  
7 side of the building. And I'll show you a photograph of  
8 the west side of the building so you can understand the  
9 cracking that we're seeing and why we have these  
10 additional concerns. So that was one unexpected condition  
11 that we found.  
12 It is interesting the third foundation is  
13 really, really nice. It's this beautiful cut stone, so  
14 there was a very expensive, you know, very, very nice  
15 house here at some point, probably in the early 1800s,  
16 compared to some of the more rough stone or stubble stone  
17 that you see on typical foundations or foundations further  
18 south from downtown.  
19 The other thing we had not anticipated was  
20 extensive roof reinforcement. We -- with the renovation  
21 in the '70s, they did extend the adobe walls with burnt  
22 adobe products. The walls are taller than they were  
23 traditionally based on the '70s renovation, so there's a  
24 hinge point where the adobe and the new masonry come  
25 together and where the two roofs come together. So when

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1 you look at the inside of the Sosa-Carrillo house and look  
2 up, you're not seeing the bottom of the roof, you're  
3 seeing a false ceiling and there is another traditional  
4 lumber roof system above that. But what our structural  
5 engineer is telling us -- is recommending is that we tie  
6 this roof structure into the walls with metal straps  
7 around all of the exterior walls and some of the interior  
8 walls to basically seismically stabilize this building  
9 because of that hinge point between the new and the old  
10 construction.  
11 Now, this is not required, but it is best  
12 practice to do this. The time this would be an issue is  
13 if there were a seismic event. What raises the concern I  
14 think for me is that this will be a public building that  
15 will be used for assembly, so this is not a house anymore  
16 in the traditional sense. We could reduce the scope of  
17 the roof reinforcement to the main zaguan and the front  
18 and back door, which would be the kind of primary  
19 emergency egress path. It's likely if there were a  
20 seismic event the walls would fall outward, so you would  
21 want to save -- you would want to protect that main  
22 existing core. So that would be another opportunity for  
23 some savings. I'm not reflecting that in the numbers  
24 right now, but if that's the direction from the board, we  
25 would certainly move down that path.

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1 And then the third thing is basically the adobe  
2 condition itself. So we're able to do extensive  
3 destructive testing, which is really drilling a lot of  
4 holes into this building to understand the condition of  
5 the adobe behind them.  
6 And it's pretty obvious when you run a drill  
7 bit into the wall, you know, you get through the plaster  
8 and it just -- they'll just go loose. The bit just goes  
9 loose once it gets in there and you know there's a  
10 problem. So we have around the base of this building  
11 pretty extensive areas where the adobe is maybe  
12 eight inches thick at this point, the good adobe, so we  
13 have to get in there and take that out.  
14 Now it happens to coincide with many areas  
15 where we want to put in this bond beam, so it actually --  
16 the bond beam solution for the foundation and the  
17 restoration of adobe do seem to work together really well,  
18 but there is more extensive adobe repair work than just  
19 where the bond beam goes.  
20 So some of the -- let's see. I think some of  
21 the stucco is in decent condition. I think back to  
22 Corky's point. You know, there are some places where the  
23 cement plaster is fairly well adhered and does not appear  
24 to have moisture behind it, this is higher on the wall, so  
25 another way to reduce some of the cost would be to

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1 basically as we take off the stucco coating, as we're  
2 going, assess where it is well adhered and not causing  
3 issues to the adobe behind it and potentially saving some  
4 of that cement plaster and not replastering the whole  
5 building.  
6 I think the recommendation again would be to do  
7 all of it if we can, but that's -- you know, certainly I  
8 understand the realities of the budget and the realities  
9 that Rio Nuevo is facing in their overall budgeting for  
10 this and other projects, so I want to make sure we put  
11 that out there as another option.  
12 And that's really kind of where we are today.  
13 I think, you know, like I say, we're about \$430,000 over  
14 budget. I think these items that I just discussed in  
15 terms of reducing the foundation reinforcement and  
16 reducing the adobe work, potentially reducing the work on  
17 the roof, we could probably get \$100,000 out, so I think  
18 we could reduce the overage to maybe \$330,000, but I'm not  
19 sure we could get much lower than that based on the  
20 current condition of the house and the kind of work that  
21 we really do need to do for this house to really -- you  
22 know, I mean, to sustain it for, like I said, another 50  
23 years or more.  
24 **MS. COX:** Michael, I have a question.  
25 What is the timeline for the construction of

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1 the building? Are these dollars you are going to actually  
2 need in the next ten months or --  
3 **MR. BECHERER:** Yes.  
4 **MS. COX:** Okay. So --  
5 **MR. BECHERER:** So in part --  
6 **MS. COX:** -- before July of next year?  
7 **MR. BECHERER:** Yes.  
8 **MS. COX:** Wow.  
9 **MR. BECHERER:** And part of that -- what we  
10 would like to do is, again, we have the whole separate  
11 project for the work that Los Des is going to do. We want  
12 to run those in parallel because there is some cost  
13 savings between the three projects. And Los Des has some  
14 events around the gem show next year, so we're trying to  
15 get this done by gem show, is one of the issues.  
16 Now, that's not to say we couldn't defer all of  
17 the adobe work until next summer, but then the house would  
18 then need to be vacant again until we were complete with  
19 the adobe work. Because there's so much structural work  
20 that needs to go on, I would be uncomfortable with them  
21 occupying the building while we do this work.  
22 **MS. COX:** Okay. Thank you.  
23 **MR. POSTER:** This is Corky. I just had a  
24 couple of comments.  
25 Number one is I think I want to remind everyone

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1 this is probably the most important cultural asset that we  
2 have in and around the convention center and it's really  
3 important to the entire community.  
4 Number two is we own it. This is not  
5 contributing to someone else's overrun on a project that  
6 they possibly can absorb. This is a building that's  
7 fragile, important culturally and we own it. And what I'm  
8 hearing from Michael, who I have a huge amount of respect  
9 for, is that we need to do this right.  
10 I'm strongly in favor of the seismic  
11 reinforcement. You know, there was an earthquake in  
12 southern Arizona in 1887. There will be another one. You  
13 know, it wasn't a killer earth quake, but it damaged a lot  
14 of adobe buildings in 1887, and so that is not a specious  
15 conversation to be having.  
16 Number two is, and I had pretty much the same  
17 suspicion as you've come to the conclusion on, Michael, is  
18 that the settlement is not foundational settlement but  
19 it's -- as adobe turns to powder, it tends to settle and  
20 all that's happening at the bottom of the wall.  
21 And I guess you're talking about a grade beam  
22 at the bottom.  
23 **MR. BECHERER:** Yes.  
24 **MR. POSTER:** Yeah, typically I always think of  
25 a bond beam at the top of a wall, but you're talking about

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1 a grade beam running around the bottom, which would really  
2 solve a couple of problems. It would really solve the  
3 problem of the adobe settling into itself and, number two,  
4 it would have a pretty significant impact on the wicking  
5 problem in the future, because the water rises up through  
6 adobe very quickly. It doesn't rise up through concrete  
7 very quickly at all.  
8 **MR. BECHERER:** Correct.  
9 **MR. MARQUEZ:** I've got a question, Michael.  
10 So you've been very extensive in this. You  
11 guys are drilling the holes throughout the adobe, et  
12 cetera, you've got a lot of the photos for us, et cetera.  
13 No one likes to overrun, obviously. What's the -- what's  
14 the chance you come back to us with another overrun after  
15 this?  
16 **MR. BECHERER:** I want to say zero, but  
17 obviously, you know, nothing is ever totally guaranteed.  
18 I do feel 90 percent confident that we have the costs  
19 captured. You know, if we get into it and there's -- I  
20 mean, it's difficult for me to imagine what we would find  
21 because we have extensively gone through this building.  
22 You know, we've been into that space -- you know, that  
23 concealed space in the attic now. It's also a very  
24 discrete amount of area. It's really the three exterior  
25 walls is what is fragile and needs the work, because the

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1 interior adobe walls are fine. There is no issue with  
2 those. This is purely those three walls.  
3 You know, we do have, you know, Eric Means  
4 who's going to do the work for us. He is one the best in  
5 town. We have given him very clear direction on what we  
6 expect and he is confident in his number. So it is --  
7 it's the adobe that is where the risk is for additional  
8 scope, but I think the work that we've done has reduced  
9 that risk as much as I can do today frankly.  
10 I don't know if that answered your question,  
11 but, you know, I feel confident I won't be back.  
12 **MR. MARQUEZ:** We have a contingency built in  
13 extensively at this new level or we're just keeping the  
14 old contingency and then increasing those certain numbers  
15 of --  
16 **MR. BECHERER:** What we've done is taken the  
17 contingency we originally had and reallocated it where we  
18 had overages already, so we're currently carrying -- let  
19 me find it here. We have \$60,000 right now in  
20 contingency.  
21 **MR. MARQUEZ:** That's nothing.  
22 **MR. BECHERER:** It's pretty tight.  
23 **MR. MARQUEZ:** I like to say it just because  
24 it's fun to say it. I agree with Corky. It's very  
25 exciting -- very exciting to be able to say that.

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1 I think you're right on, Corky. The TCC is our  
2 primary component, we own this. It was the missing piece  
3 of the puzzle in regard to the campus.  
4 Hopefully Richard will find that mute button at  
5 this point and I agree with --  
6 **MS. COX:** Huna, can you --  
7 **MR. MARQUEZ:** Just kick him out.  
8 **CHAIRMAN McCUSKER:** For history purposes, I  
9 think it's culturally important we talk about how this  
10 building survived, and I think we have to do the right  
11 thing because of it.  
12 This building historically is registered as the  
13 Sosa-Carrillo-Fremont house, and there was some 200 barrio  
14 properties in the name of urban renewal that date to this  
15 same period, you know, 1850 1860, that were torn down to  
16 make way for the convention center and city hall. This  
17 building was saved because they thought at the time that a  
18 Caucasian governor at one point in time resided in it, so  
19 they saved it. It's entirely racist. They tore down  
20 everything that was Hispanic, Chinese, black in this  
21 property and saved the one building that they thought our  
22 governor resided in.  
23 The irony of all that is the governor never set  
24 foot in this building. So when we took control of it, we  
25 dropped the Fremont from the name. It's now referred to

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1 exclusively as the Sosa-Carrillo house and it is maybe the  
2 earliest example of adobe architecture from -- as Michael  
3 mentioned, the foundation may date back to the early  
4 1800s.  
5 So there's no ROI here. There's no bar going  
6 in here. This has been a labor of love since we took  
7 control of it. I think it's hugely important culturally.  
8 I do think that the contingency might be a little light,  
9 so you're basically talking about a 500,000-dollar  
10 commitment here to do it right. This is our legacy. It  
11 will outlive all of us. And, you know, Dan just told us  
12 we were 300 grand over budget for the most recent year,  
13 so, you know, I think we should support Michael and his  
14 work and give him a half a million bucks to go finish  
15 saving this adobe house.  
16 **MR. MARQUEZ:** Well, 300 is if you found the  
17 savings like only doing so much seismic in certain areas,  
18 et cetera, so the full number is just shy of half a  
19 million. You're just saying to round up to half a  
20 million?  
21 **CHAIRMAN McCUSKER:** Based on what I heard from  
22 the contingency, he's probably going to need a little more  
23 contingency.  
24 And to your point about not coming back again,  
25 I would think, Michael, a half a million bucks gets that

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1 building restored.  
2 **MR. MARQUEZ:** Well, what's that add to your  
3 contingency, another like 13 grand or something?  
4 **MR. BECHERER:** About 70.  
5 **MR. MARQUEZ:** We're at 430.  
6 **MR. BECHERER:** Yeah, we're at 430, so 500, that  
7 would you give -- and I've got about 60 right now in  
8 contingency, so that would give me 130 in contingency.  
9 **MR. MARQUEZ:** I would just say lovingly don't  
10 come back.  
11 **MR. POSTER:** Michael --  
12 **MR. BECHERER:** I don't want to come back.  
13 **MR. POSTER:** Let's put that 30 into owner's  
14 contingency, not contractor's contingency.  
15 **MR. MARQUEZ:** Oh, good one, Corky. Right on.  
16 **MR. POSTER:** And then we have control over it.  
17 **CHAIRMAN McCUSKER:** Corky, do you want to make  
18 the motion?  
19 **MR. POSTER:** Yeah. I'd like to make the motion  
20 that given what an important building this is and what a  
21 great amount of research and what a great team has been  
22 working on this project that we increase the budget for  
23 this project by half a million dollars to cover the  
24 additional cost and divide that additional amount of money  
25 into the contractor's contingency as presented by Michael

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1 and the remainder as owner's contingency under our  
2 control.  
3 **MS. VILICANA:** Second, Taunya.  
4 **CHAIRMAN McCUSKER:** Taunya beat everybody.  
5 Okay. We have a motion and a second, Michael,  
6 to increase your budget by 500 grand. It's a big number.  
7 Tim, do you want to call the roll?  
8 **MR. MEDCOFF:** Yes.  
9 Corky Poster.  
10 **MR. POSTER:** Aye.  
11 **MR. MEDCOFF:** Jannie Cox.  
12 **MS. COX:** Aye.  
13 **MR. MEDCOFF:** Edmund Marquez.  
14 **MR. MARQUEZ:** Aye.  
15 **MR. MEDCOFF:** Taunya Villicana.  
16 **MS. VILICANA:** Aye.  
17 **MR. MEDCOFF:** Richard Oseran.  
18 I saw an aye. He's muted, but I saw an aye.  
19 Mike Levin.  
20 **MR. LEVIN:** Aye.  
21 **MR. MEDCOFF:** Shea Jimenez.  
22 **MS. JIMENEZ:** Aye.  
23 **MR. MEDCOFF:** And Fletcher McCusker.  
24 **CHAIRMAN McCUSKER:** I vote aye. That's  
25 unanimous.

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1 Michael, thank you. We're blessed to have you  
2 on the team. And, you know, it's important work, so thank  
3 you.  
4 One item from the budget amendment, Dan. So  
5 that goes back into the budget. We didn't address the 50  
6 grand for Presidio, so, you know, we now have to deal with  
7 that if somebody wants to make that motion on behalf of  
8 Jannie for the Presidio.  
9 **MS. VILICANA:** So moved, Taunya.  
10 **CHAIRMAN McCUSKER:** Taunya moved that.  
11 Somebody second that.  
12 **MR. MARQUEZ:** Second.  
13 **CHAIRMAN McCUSKER:** All right. That's 50 grand  
14 going back into the budget for maintenance on the Presidio  
15 project. All in favor say aye.  
16 (Motion made, seconded and passed unanimously).  
17 **CHAIRMAN McCUSKER:** Okay. That passes.  
18 Dan, that goes back into the budget.  
19 Mr. Collins, I don't think I need to do  
20 anything else. They automatically amend the budget,  
21 right? Do I need to take any action on the budget itself  
22 or those things amended the budget?  
23 **MR. COLLINS:** In my opinion, Mr. Chairman, no,  
24 that should be enough.  
25 **CHAIRMAN McCUSKER:** Okay. All right. Consider

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1 the budget amended. We'll move on.  
2 Gibsons is up next. I think, Nick, I saw you  
3 online. Thank you for being patient with us.  
4 We heard you had a little fire this weekend, so  
5 is everything okay? I guess we should ask that first.  
6 **MR. EGGMAN:** Sure. Yeah. I mean, it could  
7 have been a lot worse. They think either a compressor  
8 for the soda gun or a lithium battery that was charging  
9 exploded in the back. The drywall caught fire. Luckily  
10 the sprinklers did their job, put it out very quickly.  
11 Fire damage, minimal.  
12 Smoke and the water from the sprinklers created  
13 a huge mess, so right across the way, Servpro jumped in.  
14 They were here three hours after the fire started.  
15 They've been here nearly 24 hours a day. Hoping to get  
16 the space back open within a couple weeks, so I do  
17 apologize, Jannie. We won't have that building open  
18 Friday, but we're moving forward opening all the other  
19 spaces to accommodate for the mural celebration. We'll  
20 have everything in order for you.  
21 **MS. COX:** Thank you. I appreciate that.  
22 **CHAIRMAN McCUSKER:** And do you have a  
23 presentation, Nick?  
24 **MR. EGGMAN:** Yeah. If I could share my screen,  
25 we'll go over --

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1 **CHAIRMAN McCUSKER:** Yeah.  
2 Huna, let's give him screen sharing.  
3 And you might kind of go back to the beginning,  
4 Nick, and tell us where you are and what you've been doing  
5 for the last --  
6 **MR. HAMMOND:** You're good to go, Nick.  
7 **MR. EGGMAN:** All right. Thank you.  
8 All right. My business, John, he's actually  
9 having surgery today, so we -- the guys who own and  
10 operate HighWire have been around for a decade now. Since  
11 then we've expanded. We opened The Grand, which was a Rio  
12 Nuevo project, last summer, event space downtown that  
13 connects to the property.  
14 And then in September of last year, we  
15 purchased the Johnny Gibson's Downtown Market, closed it  
16 down December. Construction started January. Combining  
17 that space with the former Crescent Smoke Shop. We're  
18 getting ready by the end of the year to open what will be  
19 Gibson Food Hall and Market, so it will be a big -- geez,  
20 what are we at, nearly 8,000 square feet, kind of food  
21 vendor space market, dine in eating, retail space for  
22 local vendors. So that's what we've been working on.  
23 Where we left off with Rio Nuevo, we have been  
24 granted a certain amount of money and our needs have  
25 basically stayed the same. Today we're requesting -- a

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1 portion of it, I think it's 134,000, was left as a future  
2 tax credit as opposed to being added towards the  
3 construction reimbursement, so what I'd like to ask today,  
4 if it's possible, for that amount to be converted from tax  
5 credit to a construction reimbursement that we could use  
6 today.  
7 All right. Can you guys see my screen?  
8 **CHAIRMAN McCUSKER:** Yeah, we see all your  
9 PowerPoints.  
10 **MR. EGGMAN:** All right. So do you want me to  
11 go back through the full presentation from April?  
12 **CHAIRMAN McCUSKER:** It won't hurt.  
13 **MR. EGGMAN:** Okay. All right. So --  
14 **MR. MARQUEZ:** Maybe quickly since we've already  
15 seen it.  
16 **MR. EGGMAN:** Okay, yes, very, very quickly.  
17 So what we presented last time, we have our  
18 overall budget. Everything in orange is not reimbursable,  
19 stuff in green has already been paid. There's been more  
20 paid since. So any equipment is not part of reimbursable,  
21 finishes, furniture, decor, architect. And this is stuff  
22 that we've already paid up.  
23 So we have our totals, contractor work, fire  
24 suppression, which is something you guys have collaborated  
25 with us on for the Cooney buildings. Equipment, finishes,

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1 architecture, engineers, about a 1.3 million dollar  
2 budget.  
3 **CHAIRMAN McCUSKER:** And how much of that did we  
4 contribute?  
5 **MR. EGGMAN:** So so far in this -- this is from  
6 the last round, our presentation, you guys committed to  
7 the Crescent building 153.5 and then to the Gibson  
8 building 200 with a 134.000 tax credit. So if we convert  
9 that, it would be 334 construction reimbursement. That's  
10 what we originally had asked for.  
11 Where we're at today, we do have some overages.  
12 I can go over it with you.  
13 **CHAIRMAN McCUSKER:** You skipped over an  
14 important slide there.  
15 **MR. EGGMAN:** I'm sorry. Let me go back.  
16 **CHAIRMAN McCUSKER:** This new product produces  
17 \$4 million a year of revenue.  
18 **MR. EGGMAN:** Yes, probably the most important  
19 stuff.  
20 So this is our revenue projection.  
21 **CHAIRMAN McCUSKER:** Going from four to seven.  
22 **MR. EGGMAN:** Right.  
23 **CHAIRMAN McCUSKER:** I just wanted to make that  
24 point.  
25 **MR. MARQUEZ:** You don't have to jump into all

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1 the overages, et cetera. We know that construction's  
2 construction. We've already supported this deal. We love  
3 the deal. It generates a ton of sales tax for us, it  
4 activates the Crescent corner. You guys have done a great  
5 job with HighWire, The Grand, et cetera.  
6 I'd like to make a motion that we go ahead and  
7 convert the \$134,000 of rebates into a -- into a live  
8 check. We front the money instead of doing a rebate,  
9 allow executive and our attorneys to complete the deal and  
10 it still stays within the same parameters of what we've  
11 approved to do previous to this meeting.  
12 **MS. COX:** Second.  
13 **CHAIRMAN McCUSKER:** Nick, you dropped your  
14 share?  
15 **MR. EGGMAN:** Of course.  
16 **CHAIRMAN McCUSKER:** Go ahead.  
17 **MR. MEDCOFF:** Yeah. Just to clarify for the  
18 board and before you take the vote, it's still -- it's a  
19 construction cost reimbursement, so the developer, Nick  
20 and John, still need to present their invoices, which I'm  
21 sure they've probably already spent most, if not all, of  
22 the \$334,445 in construction costs. But they basically  
23 have to come forward with proof that they spent it and we  
24 reimburse 50 percent of it up to that cap.  
25 **MR. EGGMAN:** Okay. Understood for me.

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1 **MR. MEDCOFF:** Thanks, Nick.  
2 **CHAIRMAN McCUSKER:** Was there a second to that?  
3 **MR. MARQUEZ:** Jannie.  
4 **MS. COX:** Me.  
5 **CHAIRMAN McCUSKER:** Jannie? Okay. We have a  
6 motion and a second to convert their rebate to cash.  
7 Tim, let's call the roll.  
8 **MR. MEDCOFF:** Jannie Cox.  
9 **MS. COX:** Aye.  
10 **MR. MEDCOFF:** Edmund Marquez.  
11 **MR. MARQUEZ:** Aye.  
12 **MR. MEDCOFF:** Richard Oseran.  
13 **MR. OSERAN:** Aye.  
14 **MR. MEDCOFF:** Shay Jimenez.  
15 **MS. JIMENEZ:** Aye.  
16 **MR. MEDCOFF:** Corky Poster.  
17 **MR. POSTER:** Aye.  
18 **MR. MEDCOFF:** Mike Levin.  
19 **MR. LEVIN:** Aye.  
20 **MR. MEDCOFF:** Taunya Villicana.  
21 **MS. VILLICANA:** Aye.  
22 **MR. MEDCOFF:** And Fletcher McCusker.  
23 **CHAIRMAN McCUSKER:** I vote aye. That's  
24 unanimous.  
25 Nick, thank you. Good luck with your little

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1 fire dust up.  
2 **MR. EGGMAN:** Thank you very much. Appreciate  
3 you guys. See you soon.  
4 **CHAIRMAN McCUSKER:** Thank you, sir, very much.  
5 **MR. EGGMAN:** Bye.  
6 **CHAIRMAN McCUSKER:** All right. Next up was  
7 Batch Whiskey and Doughnuts. When I first met Ronnie, I  
8 said, Ronnie, I have one word for you. What's that.  
9 Milk.  
10 I don't know that they've added milk to their  
11 menu, have you, Ronnie, but you've done everything else  
12 you said you were going to do.  
13 **MR. SPECE:** Yeah, we did bring back the boozey  
14 cereals, so we do have milk in those.  
15 **CHAIRMAN McCUSKER:** There you go. All right.  
16 So introduce yourself and talk about the  
17 project.  
18 Can you run your own slides or do we need to  
19 help you?  
20 **MR. SPECE:** Yeah, I think I can do that.  
21 All right. We good there?  
22 **MR. POSTER:** Yes.  
23 **MR. SPECE:** Okay. So just a quick refresher or  
24 introduction for those that don't know us. I'm Ronnie.  
25 My wife Christian and I are native Tucsonans, downtown

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1 residents and owner/operators of Batch. Batch has become  
2 known as the whiskey and doughnut bar around the world.  
3 We opened January of 2016, so we're coming up on a decade  
4 already, which is awesome and wild. We're right in the  
5 middle of Congress Street between Scott and 6th in an  
6 historic building that is on the National Historic  
7 Registry.

8 Over this last decade, we've curated the  
9 largest collection of whiskey in Arizona by hundreds of  
10 bottles, it's not even close, and we've received a lot of  
11 press for that nationally, internationally, a lot of big  
12 industry publications, so we're pretty well known around,  
13 which has been awesome.

14 A Rio Nuevo project coming up on three years  
15 old now was our basement expansion. That opened November  
16 of '22 and that's quickly coming up on three years old,  
17 so, yeah, it's been a fun ride.

18 So this next expansion, why we're here, our  
19 second floor was previously occupied by our former  
20 landlord, who became our tenant, which was a real estate  
21 property management company MVB. It's just cubicles  
22 essentially up there. And they left last year, and so not  
23 only was that space not generating anything beyond rent,  
24 it wasn't generating any sales tax, that's for sure. But  
25 it's been vacant, and so we want to activate that second

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1 floor that they vacated.

2 And so the concept we've got, and you can see  
3 some of it actually in my background rendering, it's --  
4 we're calling it kind of a sports lounge. We don't want  
5 to use the term sports bar. It's not a burgers and  
6 wings-type sports bar, it's a little more we'll call it  
7 elevated, and also a gaming lounge. What that means is  
8 we're going to have pool tables shuffleboard, darts,  
9 activities up there as well.

10 It is currently under construction. We've had  
11 our intermediate inspections for plumbing and electrical,  
12 so it's well underway. The drywall and framing is almost  
13 done, plumbing and electrical is 80 percent plus complete.  
14 It's going to be a real compliment to the spaces we have  
15 currently.

16 So we have the whiskey bar, we have the  
17 cocktail basement bar, which everyone calls it a  
18 speakeasy. This is a completely different market again  
19 with -- obviously sports are a big deal. There's not a  
20 ton of options downtown or anywhere in Tucson really for  
21 watching sports on this scale alongside all the activities  
22 that will be complimentary to it.

23 That space, the plans show an additional 138  
24 seats, which more than doubles our current occupancy  
25 between both other floors. And we're targeting maybe as

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1 soon as October but certainly before the end of 2025  
2 opening.

3 On top of that, we are doing upgrades to the  
4 ground floor. There will be some additional seating that  
5 is ADA accessible on the ground floor. We are not putting  
6 in an elevator and there are code exceptions that allow  
7 that that we've figured out.

8 We are adding an additional ADA restroom on the  
9 ground floor. And with that little space down there, that  
10 brings the occupancy to 155. The entire building  
11 currently is about 130 with the basement and the ground  
12 floor, so, again, we're doubling -- more than doubling our  
13 existing occupancy.

14 So this is the shot of the second floor after  
15 the demo. So all the sort of gray space you see on the  
16 floor was all cubicles. They were built in, very nicely  
17 done but still cubicles. It's over 3,000 square feet in  
18 this space. It's 20-foot ceilings. It's a gorgeous  
19 space, the northern part overlooking Congress Street. And  
20 then -- so on that far wall there, the bar is already  
21 framed. All the electrical and plumbing is in, so we'll  
22 get to -- this is kind of a rendering of what it would  
23 look like.

24 The rendering doesn't really do the scale of it  
25 justice. The 20-foot ceilings, the 3,000 square feet

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1 looks kind of small in this rendering to me, but it gives  
2 you an idea of what the finished product could look like.

3 Here's another shot from the corner looking  
4 north with the pool tables in the corner. And this is  
5 from -- if you're behind the bar looking out, you'll see  
6 some of the shuffleboards there along the wall and then  
7 looking back towards the bar from that eastern wall.

8 And so to give you an idea of our past sales,  
9 so 2022 is when we opened the basement. Previous to that  
10 year, we had never touched half a million in sales. With  
11 a couple months of the basement, we had projected it to  
12 hit 560. We got to 600,000 that year.

13 The following year with the full year of the  
14 basement that Rio Nuevo helped us expand, we hit the  
15 million dollar number. We kept that rolling the following  
16 year.

17 That second half of '24, the industry really  
18 started to soften and we've seen that throughout '25, but  
19 we're down 11 percent year to date, which is not terrible  
20 given all the conditions the service industry has faced  
21 over the last year, especially since the beginning of this  
22 year. So we're -- everyone we've talked to is down  
23 20 percent and often days we are, but we're only down 11,  
24 so we think that will recover nicely here. And, again,  
25 with this expansion on the second floor, we're getting a

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1 whole new market of people.  
2 So we do think we'll -- we're very close, but  
3 we do think by next year we'll get back to that million  
4 with the expansion. This is a very conservative  
5 projection. Adding 150 plus seats, we're saying another  
6 400,000. I'm hoping that's very low, but I think it's  
7 very conservative and safe to hit that number.  
8 I need to move my pictures. I can't see my  
9 total here.  
10 Anyway, you'll see the projections for the five  
11 years, bottom line there on the far right. We're at about  
12 \$700,000 in total sales tax over those next five years,  
13 so -- and, again, I feel like these numbers are very  
14 conservative on the expansion.  
15 So this is kind of just a general summary of  
16 our costs for construction. You'll see some of the line  
17 items, but the total current budget is 350 and our request  
18 is for 50 percent of that at 175. We're on top of that  
19 investing at least I would say 50 grand, probably more,  
20 for the games, the equipment, the furniture, et cetera.  
21 So I did want to kind of breeze through that  
22 quickly because I know this has been a long meeting  
23 already, but I'm happy to answer any questions.  
24 **MR. MARQUEZ:** Are you unsharing?  
25 **MR. SPECE:** Yeah.

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1 **MR. MARQUEZ:** I'd like to start if you don't  
2 mind, Fletcher.  
3 Ronnie, you guys have done a fantastic job.  
4 You're one of the most low maintenance groups that we've  
5 done business with. I mean, last time we invested in your  
6 downstairs speakeasy bar, you were already in the midst of  
7 construction and you've really converted that space into  
8 something I will say, quote, unquote, magical.  
9 \$175,000 to invest in your upstairs, I mean, if  
10 you look from your very conservative numbers, I mean,  
11 we'll make like \$56,000 over those five years of income.  
12 And even though those numbers don't really match, and I do  
13 think you're being conservative because you do draw  
14 people, I would still support investing in you. You guys  
15 have just done everything we've ever asked you, so you've  
16 done a great job. I just wanted to give my two cents.  
17 **MR. POSTER:** Ronnie, another question. Are you  
18 acting as your own general contractor?  
19 **MR. SPECE:** No, we have -- Chasse is helping us  
20 on the general side. I'm project managing under them, if  
21 you will.  
22 **MR. POSTER:** So is that in your budget  
23 anywhere? I mean, all the numbers seem like sub numbers.  
24 **MR. SPECE:** There is some on the -- the  
25 information I sent in, not in the presentation, but there

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1 is some general conditions, you know, on that budget that  
2 I provided.  
3 **MR. POSTER:** Okay.  
4 **MR. SPECE:** A little more detail in there that  
5 I sent in than the PowerPoint had.  
6 **MR. POSTER:** Okay. Thank you.  
7 **MR. SPECE:** Yeah.  
8 **CHAIRMAN McCUSKER:** Any other questions for  
9 Ronnie?  
10 **MR. SPECE:** We are so far along that we really  
11 don't anticipate, you know, surprises at this point. The  
12 heavy lifting is largely complete. It's a lot of finish  
13 work ahead of us now.  
14 **CHAIRMAN McCUSKER:** Edmund, do you want to make  
15 that a motion?  
16 **MR. MARQUEZ:** Yeah, I move that we support this  
17 next phase of construction with \$175,000, I don't have a  
18 better word, empowering our exec and our attorneys to  
19 complete this deal along the same standard of structure  
20 that we usually add to most deals.  
21 Tim --  
22 I guess I need a second before I ask Tim.  
23 **MS. COX:** Second.  
24 **CHAIRMAN McCUSKER:** Tim, you had your hand up?  
25 **MR. MEDCOFF:** Yeah. Two things. One, again,

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1 board -- up for the board to consider, but there's some  
2 architectural engineering fees, which typically the board  
3 doesn't pay for, and then, two, I think under the new  
4 format, Mr. Chairman, this is one that needs to be punted  
5 to allow the public and others to comment before we take  
6 it to a full vote.  
7 **CHAIRMAN McCUSKER:** Yeah, we did build in the  
8 two-week lag, Ronnie, so that we can noodle on this. Your  
9 project's pretty straightforward. I'd hate to violate our  
10 own rules, you know, a month after we set them. So we  
11 need to think about the architect fees, but we'll noodle  
12 on that and we'll bring you back in two weeks and get this  
13 approved for you.  
14 **MR. SPECE:** Okay. Thank you.  
15 **MR. MARQUEZ:** So I'd like to officially  
16 withdraw my motion.  
17 **MS. COX:** And my second.  
18 **CHAIRMAN McCUSKER:** Thank you, Tim, for that.  
19 Yeah, we get caught up in our own excitement, which has  
20 gotten us in trouble before, but this one is so obvious.  
21 And, you know, he is, you know, doing a huge job anchoring  
22 that part of downtown.  
23 Ronnie, we're grateful. We'll see you in a  
24 couple weeks.  
25 **MR. SPECE:** All right. Thank you very much.

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1       **CHAIRMAN McCUSKER:** Same thing, Tom. We're  
2 going to hear your story and we're going to praise you for  
3 it, and then we're going to delay you for two weeks, but  
4 go ahead and talk about what you want to do with your  
5 trolley tours.  
6       Tom Heath, everybody.  
7       **MR. HEATH:** I think I'm sharing the screen  
8 there, if that's okay. Listening to all this  
9 conversation, I'm like there's people out there doing all  
10 this fantastic work and my team are back here as the  
11 cheerleaders making sure we get that recognition out for  
12 everyone.  
13       But very briefly, I just want to give you a  
14 little background on where my partners and I come from.  
15       Tucson Trolley Tour's first unofficial tour was  
16 back in 2016. My business partners, Tony, Ray and Darren,  
17 are on the real estate side of things. My primary  
18 business is actually mortgages. And we found back in 2016  
19 there was a lot of lack of understanding, especially in  
20 the real estate community, as to all of the amazing things  
21 that were happening in the urban core. Their clients were  
22 not getting the best of information in our opinion, so we  
23 launched an effort to educate them. And that over the  
24 years has really translated into us subsidizing tours for  
25 professionals to get a better understanding of the

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1 community and eventually it led to consumer-focused tours  
2 and has really kind of turned into a business that we  
3 weren't expecting eight years ago. We just thought we  
4 were helping -- doing a community service.  
5       This is -- this is us having a little fun in  
6 our new trolley bus, which we just purchased last year.  
7 And where we fill the need, there's really great tours in  
8 Tucson that are happening through the Presidio and many  
9 other places, but there isn't one that is on a vehicle and  
10 it increases the opportunities for people to explore a  
11 city that have challenges with the walk or maybe the  
12 temperature, whatever it may be. We provide an  
13 alternative outlet for them and have seen really a  
14 significant rise in our demand over the time.  
15       Again, from 2016 through present, we have not  
16 really been a revenue-generating operation. We've been  
17 paying other bus companies for tours to put people on and,  
18 you know, we realized that that wasn't a sustainable  
19 model, so we made some changes to that.  
20       Things that I like to share and I'm really  
21 excited and proud about is that when we started our very  
22 first tour, this is an example of it, all of this amazing  
23 thing that's happening in downtown, so much of it was just  
24 a concept. We shared a book with real estate agents of 40  
25 pages of renderings of things that were coming like City

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1 Park and all the stuff on the west side and One West and  
2 even AC Marriott. These were all things that weren't yet  
3 in existence but we knew were coming.  
4       And our first tour, you can see we got people  
5 together with Michael Keith and DTP and Jerry Dixon and  
6 Paul Sisak and we brought people out to hear from those  
7 that were doing it and it just grew from there. And now  
8 eight years later, we've just really had a tremendous of  
9 fun showing off Tucson to the world.  
10       We get -- now primarily we still do economic  
11 development tours with real estate agents and others, but  
12 primarily we are transitioning more into a traditional  
13 touring company and getting people out there to explore  
14 our urban core.  
15       The rough financials -- and I'll be honest, the  
16 2016 to 2024, that is the best we could kind of recollect,  
17 because we never intended this to be a business. We were  
18 just doing this over that timeframe. But between our time  
19 and actual dollars out of our pocket, we believe we  
20 invested somewhere between 100 and \$175,000 into this  
21 venture over that timeframe, you know, divided up over the  
22 years and the various tours.  
23       The 2025 is a little bit more accurate because  
24 some of those are expenses that we have now incurred. We  
25 bought a bus at the end of last year. We've rolled that

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1 into the 2025 numbers there, but we actually bought a bus.  
2 We've been doing some work on it. We needed a driver, so  
3 I went to get my CDL through Pima, go Aztecs. And some of  
4 these expenses are projected and will be somewhat based  
5 upon how quickly we can -- we can ramp up.  
6       Our 2026 is kind of our estimate if we're  
7 operating at full capacity doing what we want to be doing,  
8 which is two tours on Saturday, two tours on Sunday and  
9 one tour during the week and then two to three specialty  
10 tours throughout the month. We believe our costs are  
11 going to run us around 100,000 or so.  
12       You know, we've been partnering with Visit  
13 Tucson, Downtown Tucson Partnership, and as you heard  
14 earlier, we're volunteering with the project on Friday  
15 because those are in our core. We want to share those  
16 stories and we're not going to charge, you know, for that.  
17 We use the business model to subsidize the rest of what we  
18 want to do in the business model, in the mission.  
19       But really quickly, what my ask is, is we're  
20 looking for 19,500 for three areas that we need help in.  
21 We had envisioned a full wrap of the bus, which is going  
22 to cost 8,10,000. We've scaled that back to doing vinyl  
23 panels that can be added and removed. We started that  
24 process, but we need to really kind of finish it.  
25       The bus repair upgrades, we've got two



1 significant issues we're dealing with. One is the  
2 previous owners had patched a hole in the roof that we had  
3 all thought was a repair and it turned out to be more of a  
4 temporary patch and now we're starting to see there's an  
5 issue in there and we've got to get that addressed. We  
6 don't know the exact cost of that yet because we're going  
7 to have to remove some of the roof to tell us exactly what  
8 that issue is, but they've given us -- you know, we've got  
9 an idea of the range of that.

10 And the second component of that bus repair is  
11 our air-conditioning unit for the cabin is sufficient for  
12 now, but we anticipate it's not really going to be enough  
13 to run a full bus twice a day during the summer next year.  
14 We anticipate having to replace the cabin AC unit. Right  
15 now for the summer, we've reduced to 75 percent capacity  
16 and reduced it to early morning tours to help with that.  
17 So we're looking at either fixing or replacing that.

18 And then the thing we're most excited about is  
19 a fairly recent development. We've been -- many of you  
20 know this, but my partners and I also own the Tucson  
21 Gallery, which launched in the Proper Shops. And we just  
22 signed a lease to move from that incubator space into an  
23 empty space at 245 East Congress. It used to be the  
24 Tucson (inaudible) Souvenir Shop. And the Tucson Gallery  
25 is moving into that space, it's significantly larger, and

1 we have an area carved out where Tucson Trolley Tours will  
2 have its own presence. We haven't had that yet, so we're  
3 actually going to have a street level kiosk with the  
4 opportunity to purchase tickets, tourist information and  
5 we need to build that out with the basic, you know,  
6 construction, some lighting, POS, electricity and things  
7 of that nature.

8 It's in conjunction with building out the  
9 Tucson Gallery, so we're still finalizing exact details of  
10 that, but the -- the costs, you know, we believe that 19.5  
11 will really give us an opportunity to create a better  
12 visual presentation to the consumer and really give us the  
13 opportunity to start launching into more -- more tours in  
14 the very near future.

15 So our five-year plan just so you understand  
16 the numbers as they grow, is we do hope by 2029 we  
17 generate enough revenue to now offset the cost of buying a  
18 second vehicle, which we hope to be an actual  
19 rubber-wheeled trolley, but the cost of those are  
20 somewhere around 200,000 new and we need to -- we need to  
21 build to that.

22 Revenue, if we hit our two tours per week --  
23 two tours per Saturday and Sunday and one during the week  
24 and then start adding in specialty tours, we believe next  
25 year we should generate somewhere around \$7,000 a month,

1 in that neighborhood, so we've estimated that we could do  
2 as much as 90,000, and that it will increase over time,  
3 and then it takes kind of a big jump towards the end of  
4 the five-year plan because we think we will have a second  
5 bus actually out there.

6 And the tickets -- because it is a ticket,  
7 these are sales-tax connected events. When people buy a  
8 ticket, they are purchasing something that we are required  
9 to charge the sales tax on and have been doing so since --  
10 since we launched in -- we started doing this at the very  
11 beginning of the year.

12 So just a real brief summary. You know, we've  
13 put a significant amount of time and money into this as a  
14 labor of love. If you had told me in 2016 that this is  
15 where I would be at, I would have told you, forget it, I'm  
16 not going to do it, I don't have time for any of this, but  
17 every year you just add a little bit more to it. And the  
18 funding we're requesting we think will really help us get  
19 a better image out there, a better opportunity for more  
20 tours and increase the potential for us, especially with  
21 getting that AC unit up and running at a stronger level.

22 That's it. Rushed through it, but if you have  
23 questions, I'd love to answer and --

24 **CHAIRMAN McCUSKER:** Drop your screen share. We  
25 nominate you as the official ambassador of downtown.

1 You've managed to turn a business into a hobby. We are  
2 very grateful. You talk about ROI. This is probably  
3 worth a million times, you know, the money that, you know,  
4 we could put into this. I don't know what drives you to  
5 do it.

6 If you haven't been on a tour with Tom, it's  
7 unbelievable. He asked me to go on one with him as like a  
8 co-guide and I never did it again because he knows so much  
9 more about everything that's happening downtown than even  
10 I did. I said, okay, you don't need me on these tours,  
11 and he's been doing it ever since.

12 So we talked about doing this in our marketing  
13 go budget, but it's, as you know, pretty well tapped out,  
14 so we asked Tom to come to the full board to see how you  
15 would view his basically 20,000-dollar request.

16 **MR. OSERAN:** I've got a couple questions.  
17 Tom, where does the tour originate and where  
18 does it terminate?

19 **MR. HEATH:** So presently it starts and ends at  
20 the Proper Shops right across the street from you, 300  
21 East Congress. We're moving now -- we'll be there through  
22 August, and then come September we'll be at our new  
23 location at 245 East Congress right next to the Ronstadt  
24 Center. There's actually a door on the west side of that  
25 suite where we can pull up, load and drive right out the

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1 back.  
2 **MR. OSERAN:** And how have you been selling your  
3 tickets?  
4 **MR. HEATH:** Mostly through social media,  
5 online, lots of support from Visit Tucson. We've given  
6 all the Visit Tucson volunteers and certified tourism  
7 ambassadors free rides. And then a good chunk of it are  
8 people finding us online and we're starting to build out a  
9 lot more private tours, people that are from SaddleBrooke  
10 that want to come down as a group but don't necessarily  
11 want to navigate the traffic or the parking, voyagers,  
12 things of that nature, client gifts for real estate  
13 agents. We're doing a birthday party in October for  
14 someone who took our tour and she wants to bring all of  
15 her friends on it.  
16 **MR. OSERAN:** And when you do your build-out, is  
17 that where the tickets will be, either the online address,  
18 physical address will be on Congress Street.  
19 **MR. HEATH:** Yeah. Yeah, we currently have a  
20 physical address on Congress Street, but we don't have  
21 much of a presence other than like a little acrylic stand  
22 in the current space, because we're only operating out of  
23 300 square feet or so where we are. The new space has  
24 over 2,000 square feet and it will be full on. It will  
25 look like its own Tucson Trolley business situated inside

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1 of that.  
2 **MR. OSERAN:** Thank you.  
3 **MR. MARQUEZ:** Fletcher, we did recently free up  
4 some dollars in marketing. I'd recommend sending this  
5 back to marketing so we can kind of get into the weeds  
6 about signage and support and the wrap, et cetera, a  
7 little easier on the marketing committee -- or not  
8 committee, marketing group.  
9 **CHAIRMAN McCUSKER:** I'm fine with that. If  
10 that's the Board's pleasure, we can just assign it to --  
11 the deal with the marketing budget.  
12 Tom, we'll just put you in the marketing  
13 budget.  
14 Any objections to that? Anybody have any  
15 concerns about doing it that way?  
16 (No oral response).  
17 **CHAIRMAN McCUSKER:** All right, Tom, we'll be in  
18 touch.  
19 **MR. HEATH:** All right. Thank you. Appreciate  
20 your time.  
21 **CHAIRMAN McCUSKER:** Elliott's, Tim, we just  
22 need a short extension, right, on their outdoor patio?  
23 **MR. MEDCOFF:** Correct. I've been in contact.  
24 Just to refresh the board and the public, Rio Nuevo  
25 previously agreed to support Elliott's on Congress with

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1 respect to an outdoor patio. He's hired a third party to  
2 fabricate the outdoor structure. It's taken that  
3 fabricator a little longer than Elliott anticipated to get  
4 that completed. He anticipates it will get done next  
5 month, but I recommend to the board that we agree to a  
6 three-month extension just to avoid having to come back to  
7 the board next month in case there's another hiccup.  
8 **MS. COX:** I move that we provide that  
9 three-month extension to Elliott's.  
10 **MS. VILLICANA:** Second, Taunya.  
11 **CHAIRMAN McCUSKER:** She beat you, Mike. She's  
12 fast.  
13 **MR. LEVIN:** Yeah.  
14 **CHAIRMAN McCUSKER:** Okay. We have a motion and  
15 a second to extend that for Elliott's. All in favor say  
16 aye.  
17 (Motion made, seconded and passed unanimously).i  
18 **CHAIRMAN McCUSKER:** Okay. Tim, thank you for  
19 that.  
20 Country Home, as I mentioned at the top of the  
21 meeting, we're going to table this.  
22 A little bit for the public about what's going  
23 on there. I think everybody knows that Nate Ares won the  
24 project on the Sunshine Mile for that whole block. He has  
25 a number of very ambitious plans. He's starting to get

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1 permits from the city of Tucson. He would like to expand.  
2 He's looking at acquiring some adjacent property. We had  
3 some questions about the zoning basically, so we're going  
4 to ask him to address those and come back and talk to us.  
5 It seems like an obvious win-win situation, but we were a  
6 little concerned about some of the zoning issues.  
7 That takes me to Borderlands. I see you  
8 online, so I'm going to speak directly to you.  
9 We've decided as a board not to pile onto  
10 Borderlands' problems. A lot of these are things you guys  
11 have brought on yourselves by not properly communicating  
12 with people that could help you, and we've certainly seen  
13 the worst of that drama.  
14 We actually have title to this food truck. You  
15 may or may not remember the deal we made with you a little  
16 shorter than three years ago provided that that truck be  
17 titled and we have a lien on that, so we could enforce  
18 that. We could foreclose on it, we could repossess it, we  
19 could require you to bring it back. We're not going to do  
20 any of that. We're going to title this truck over to you.  
21 We want your attorney to talk to Tim about how to handle  
22 that, and we would ask that you use those proceeds to pay  
23 down some of your tax liabilities.  
24 So consider this a gift from Rio Nuevo and a  
25 dodged bullet on your behalf, because, you know, there's a

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1 lot of things going on over there that created a lot of  
2 drama for us, but we're not going to in essence kick you  
3 while you're down.

4 So Tim is going to handle that. Have your  
5 attorney reach out to Tim. We should settle this very  
6 quickly. Hopefully you guys get back on your feet. We  
7 hope that your other two locations, one that we've  
8 invested heavily in, are successful and we all look back  
9 at 2025 as the year that didn't need to happen.

10 So Tim is in charge of that. We delegated that  
11 to resolve to him. We're not going to try and enforce our  
12 lien.

13 Final, is a ratification issue for the board.  
14 In our budget and master plan, you remember we talked  
15 about hiring a public relations agency. We have met with  
16 several. We have recommended Caliber as one of the most  
17 experienced and the best fit with us. It's well within  
18 our budget. Tim has negotiated the agreement. We just  
19 need basically a motion to ratify.

20 **MS. VILLICANA:** So moved, Taunya.

21 **MS. COX:** Second.

22 **CHAIRMAN McCUSKER:** Wow. You guys want to get  
23 someplace.

24 **MR. MARQUEZ:** Man.

25 **CHAIRMAN McCUSKER:** Okay. So we have a motion

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1 and a second to ratify the hiring of Caliber as our PR  
2 agent. All in favor say aye.

3 (Motion made, seconded and passed unanimously).

4 **CHAIRMAN McCUSKER:** Okay. Thank you for that.

5 Future agenda items, anybody want to see  
6 anything on the August agenda?

7 (No oral response).

8 **CHAIRMAN McCUSKER:** You can always email me or  
9 send Brandi an email.

10 With that I can take a motion to adjourn.

11 **MR. LEVIN:** So moved.

12 **CHAIRMAN McCUSKER:** Thank you, Mike.

13 **MR. MARQUEZ:** Second.

14 **CHAIRMAN McCUSKER:** I have a motion and a  
15 second to adjourn until August. All in favor say aye.

16 (Motion made, seconded and passed unanimously).

17 **CHAIRMAN McCUSKER:** Great meeting. Jannie,  
18 thank you. We'll see you at your event on Friday.

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