

IDA Minutes
INDUSTRIAL DEVELOPMENT AUTHORITY
March 9, 2016

1. CALL TO ORDER: 11:01 a.m.

2. ROLL CALL

PRESENT

Patrick Scherden
 Bill Thomas Sr.
 Robert Marrufo
 Josue Lopez
 Peggy Jelen
 Craig Hughes

ABSENT

Florencio Lopez (excused)
 Daniel Ortega Sr. (excused)

Others present:

Tom Allen, Goodway Cafe
 Carlos de la Torre, City of Douglas
 Alma Andrade, City of Douglas

3. APPROVAL OF MEETING MINUTES FOR FEBRUARY 17, 2016

Motion by Robert Marrufo to approve the meeting minutes for February 17, 2016; second by Bill Thomas Sr. Motion passed unanimously.

4. TREASURER'S REPORT

<i>I.D.A.</i>		<i>March 9th/2016</i>	
<i>Washington Fed C.D.</i>	<i>maturity date</i>	<i>cert. #</i>	<i>211-15009-2</i>
<i>int. rate .25%</i>	<i>4/4/16</i>	<i>amt \$</i>	<i>57,113⁶⁴</i>
<i>Washington Fed C.D.</i>	<i>maturity date</i>	<i>cert. #</i>	<i>211-150091-0</i>
<i>int. rate .30%</i>	<i>4/4/16</i>	<i>amt \$</i>	<i>118,479⁴⁴</i>
<i>Washington Fed C.D.</i>	<i>maturity date</i>	<i>cert. #</i>	<i>211-150187-6</i>
<i>int. rate .40%</i>	<i>5/13/16</i>	<i>amt \$</i>	<i>163,430⁴³</i>
<i>Washington Fed C.D.</i>	<i>maturity date</i>	<i>cert. #</i>	<i>211-150165-0</i>
<i>int. rate .40%</i>	<i>8/29/16</i>	<i>amt \$</i>	<i>104,262²⁵⁷</i>
<i>Chase (checking, we have no checkbook)</i>	<i>act #</i>	<i>000000132978880</i>	
	<i>amt \$</i>	<i>8,492⁵³</i>	
<i>Southern Az Fed C.U. (non-profit)</i>	<i>act #</i>	<i>30136 #0</i>	
	<i>amt \$</i>	<i>159,820⁹⁴</i>	
	<i>(shares profit) act #</i>	<i>30136 #15</i>	
	<i>amt \$</i>	<i>43,219⁴²</i>	
<i>Payment Received</i>	<i>2/28/16</i>	<i>Freeport (1/6/16 Invoice)</i>	<i>2930⁷⁷</i>
	<i>3/3/16</i>	<i>PRECEPT (March Invoice)</i>	<i>1,300⁰⁰</i>
	<i>3/7/16</i>	<i>Pioneer Title (ORTEGA'S) (Jan 15 Invoice)</i>	<i>1,405³⁴</i>
<i>Outgoing Payments</i>	<i>2/17/16</i>	<i>Southern Az Fed C.U. (cashier checks)</i>	<i>25⁰⁴</i>
<i>PENDING ??</i>	<i>Byrd Construction / on Freeport Building / Lites, ballasts</i>	<i>shatter proof lens on Lites. 1/6/16</i>	
	<i>Baxter Plumbing (calls out service in Freeport office)</i>	<i>3/8/16</i>	
<i>Outstand Loans</i>	<i>ORTEGA'S INC.</i>		
<i>Default Loans</i>	<i>(Hospital ???)</i>		
			<i>TOTAL \$ 654,818⁶⁵</i>

Motion to approve the Treasurer's report Robert Marrufo, and second by Josue Lopez. Motion passed unanimously.

5. UPDATE FROM TOM ALLEN PERTAINING TO HIS BUSINESS PROPOSAL FOR THE RIVERA BUILDING, 357 10TH STREET.

Mr. Tom Allen addressed IDA members and have modified his original proposal for 357 10th Street building, however, he made some research and came upon the old YWCA building (341 10th Street), between the Cowbelles and Jalisco Restaurant. The building is available and the configuration is significantly ready for a quicker start up, with the kitchen and existing bathrooms in place. In addition, it has 1750 sqft inside in the large open room with about 12 foot ceiling. Furthermore, in the open room there is a separate dining room and an entry way that would be included as a coffee shop. This place has the availability for outdoor dining in the back yard.

Moreover, Mr. Allen stated they have been successful as far as establishing as a high quality American restaurant. Mr. Allen would like to fix up the building with updated infrastructure, plumbing, and equipping the kitchen. The building could cost approximately \$60,000 to do what he needs to do.

Josue Lopez inquired if Tom Allen is buying the building for \$60,000.

Tom Allen stated is a retrofit.

In addition, Tom Allen stated that the building still has galvanized plumbing; everything is in the rear of the building. Moreover, Tom Allen stated that in the future, he would like to reconfigure restrooms. Also, Tom Allen mentioned that he would like to do Male/Female ADA restrooms.

Furthermore, Tom Allen stated that he would start with breakfast and lunch, adding dinner in order to make the building more elegant for individuals to come in and have a fine dinner. In addition, Tom Allen commented he would like to get a beer & wine license.

Bill Thomas inquired on how Tom Allen would do collateral.

Tom Allen stated collateral would be by the equipment he would buy for this project. Tom Allen mentioned that he would not approach this project if he didn't think it was approachable.

Josue Lopez commented that perhaps the \$30,000 structure toward machinery in order to have a starting point.

Craig Hughes inquired about what would be the payback structure.

Tom Allen stated in about 15 years.

Craig Hughes inquired about parking.

Tom Allen stated that parallel parking seems to be an invisible parking to people, but there are 17 spaces on the two sides of 10th Street, plus there is 8th Street to parking. If necessary, then people can park on H Avenue, but Tom Allen seems to think there are plenty of parking spaces.

Craig Hughes inquired on how many tables Tom Allen will have at this venue.

Tom Allen stated that he's looking to have 40 tables and a private room for bigger groups.

Craig Hughes asked about asbestos and about lighting in the building.

Tom Allen stated that the floors are concrete.

Tom Allen stated that he will do LED lighting for inside and outside of the building.

Carlos de la Torre provided information pertaining to a \$30,000 loan at 7%, for 5 years, monthly payment would be \$594.00. In addition, Carlos de la Torre provided figures for a \$30,000 loan with a 7% for 8 years; monthly payment would be \$409.01.

Craig Hughes inquired if Tom Allen would keep the other place open. Tom Allen said no.

Patrick Scherden requested Tom Allen's proposal in writing to the IDA.

Carlos de la Torre inquired about capital investment for \$30,000. How is the loan going to be secured and part of it could be the building or is Tom Allen being personally responsible for the loan or securing as a second lien to the property.

Bill Thomas Sr. stated that Tom Allen can submit a list of the equipment he is buying.

Bill Thomas Sr. would like to know what Tom Allen is paying for the building and the loan terms.

6. UPDATE PERTAINING TO THE ADOT U.S.-MEXICO FREIGHT FORUM IN SAHUARITA, AZ.

Carlos de la Torre mentioned that ADOT wants to have access to other federal funds that are related to highway infrastructure and in order to qualify for that, ADOT has to do a freight study. ADOT know they need to reinvest in the highway from Hermosillo to Phoenix, the bypass from Mariposa to I19, Nogales as it relates to rail activity in that area.

Moreover, Carlos de la Torre stated that ADOT is putting a lot of emphasis in the Port of Guaymas and are interested in how logistics end up making their way north and obviously one of the routes is Nogales; in addition ADOT are also including the rail connectivity from Douglas to the main line going east and west to southern pacific lines.

Furthermore, Carlos de la Torre commented that ADOT saw inadequate port of entry, inadequate connectivity to I10 both west bound and east bound and the fact they are interested in bringing the rail through here and what needs to be done to be able to bring it here.

7. UPDATE ON THE DOUGLAS/AGUA PRIETA PORT OF ENTRY

Carlos de la Torre stated that the city made a submittal a year ago and it was denied. The City of Douglas made a submittal this December 2015 and just received word that this submittal was also going to be rejected, but that the General Services Administration (GSA) and Customs and Border Protection (CBP) are going to do a full feasibility study to see what they are going to do with the port facility and they have not done since 2007.

Moreover, Carlos de la Torre commented that the good news for Douglas is that in order for them to do some improvements at the Douglas POE are close to \$40 to \$50MIL. GSA and CBP asked where the \$40-50 MIL would be spend at the current POE. In addition, Carlos de la Torre stated that one way to do is to move commercial traffic out and essentially what the city has been saying for the past 4 years, but now they realized they have to spend the money and need to find out how to spend it. The city continues to be in the loop.

Bill Thomas Sr. commented that since he's a member of the Economic Development Corporation (EDC), EDC needs a full time member to run this corporation and know what they are doing.

Josue Lopez suggested asking Brokers and Maquilas in the area to see if they really want this to move forward. In addition, Josue Lopez suggested coming up with a plan with a three year commitment to hire somebody to work along with the city and individually, IDA, Maquilas, Port Authority, and Port of Guaymas wants this, but it's also through the EDC.

Robert Marrufo disagrees with Josue Lopez' suggestion and inquire how long the city had an economic development director, as he was paid good wages.

Bill Thomas Sr. commented that it will be hard to find somebody that is good as others are looking for a great individual for this type of work.

8. CALL TO THE PUBLIC

None.

9. AGENDA ITEMS FOR NEXT MEETING

- Meeting minutes for March 9, 2016
- Treasurer's Report
- Discussion/Decision pertaining to Tom Allen's business proposal

10. DATE FOR NEXT MEETING

April 13, 2016

11. ADJOURNMENT: 12:03 p.m.

Prepared by: Alma Andrade, Executive Assistant

For reasonable accommodations pursuant to the Americans with Disabilities Act (ADA), call Rene Molina at 520.417.7329 as early as possible to coordinate needed arrangements.

For further information, please call Alma Andrade, City of Douglas at 520.417.7302.