

**Minutes**  
**INDUSTRIAL DEVELOPMENT AUTHORITY**  
**October 12, 2016**

**1. CALL TO ORDER: 11:05 a.m.**

**2. ROLL CALL**

**PRESENT**

**ABSENT**

Patrick Scherden	Robert Marrufo (excused)
Florencio Lopez	
Bill Thomas Sr.	
Hector Quijada	
Luis Gonzalez	

Others present:  
 Oscar Vildosola, Ari-Mex  
 Alma Andrade, City of Douglas

**3. APPROVAL OF MEETING MINUTES FOR JULY 13, 2016 AND AUGUST 10, 2016**

Motion by Bill Thomas Sr., to approve the meeting minutes for August 10, 2016, second by Florencio Lopez. Motion passed.

**4. TREASURER'S REPORT**

Motion passed by a vote of 5-0.

10/12/16

I. D. A.

<u>Washington Fed. C.U.</u> int. rate @ .25%	<u>maturity</u> 4/14/17	<u>cert. # 211-15009-2</u> amt \$ 57,113 69
<u>Washington Fed. C.U.</u> int. rate @ .30%	<u>maturity</u> 4/14/17	<u>cert. # 211-150091-0</u> amt \$ 118,479 44
<u>Washington Fed. C.U.</u> int. rate @ .40%	<u>maturity</u> 5/23/17	<u>cert. # 211-150187-6</u> amt \$ 163,430 43
<u>Washington Fed. C.U.</u> int. rate @ .40%	<u>maturity</u> 9/10/17	<u>cert. # 211-150165-2</u> amt \$ 104,262 25
<u>Chase checking</u>	<u>statement/act # sept 01 - 30 17</u> 000000132778880	amt \$ 8,492 53
<u>Southern Ariz Fed C.U.</u>	<u>saving non-arrat</u>	<u>act # 30136 #10</u> amt \$ 159,820 94
	<u>checking arrat</u>	<u>act # 30136 #15</u> 71,769 25
<u>Total Balance</u>		<u>TTL = \$ 683,368 53</u>
<u>out going payments</u>		
9/22/16	Douglas Diesel ✓ # 241 (Storage Trailer for I.D.A. Warehouse)	\$ 3,000 00
9/23/16	AR Photography ✓ # 242 (Danny Ortega Sr. (Plaque <del>awards</del> ))	\$ 893 00
<u>payment received</u>		
9/23/16	Primer Title (Ortega's) Dep. 10/12/16	\$ 1,405 34
<u>note: Freeport (re-billed) of payment of 7/12/16 - 8/12/16, and 8/12 - 9/12/16. Freeport vacated warehouse on 9/29/16 and TURN IN KEYS. We bill for 9/12 - 10/12/16. <del>MAINT. payment</del></u>		
<u>Default Loan</u>	(SEAMC) Southern Ariz Medical Center People Choice Hospital, L.L.C.	\$ 37,000 00

Hector Quijada inquired if IDA can get relieve on county taxes as other non-profits do.

Motion by Bill Thomas Sr. to approve the Treasurer's report and to pay the county taxes, second by Hector Quijada. Motion passed.

**5. UPDATE ON FREEPORT McMORAN**

Item #5 was covered by item #4 with Treasurer's report..

**6. DISCUSSION/DECISION REGARDING FUTURE TENANT PROPOSAL TO IDA'S WAREHOUSE**

Florencio Lopez stated that IDA and Michael Gutierrez toured the warehouse and anything over 8,000 sqft requires a fire suppression system.

Oscar Vildosola stated that the main issue was that there are no more warehouses in Douglas. Oscar Vildosola commented that his companies are growing very quickly and they can use whatever they find. In addition, Oscar Vildosola stated that leasing the warehouse would generate four different positions.

Florencio Lopez commented on the options submitted by Oscar Vildosola, as follows:

Oscar Vildosola Proposal- 110 11<sup>th</sup> Street

Option 1:

Oscar Vildosola proposal for long-term lease at 110 11th Street -Industrial Development Authority (IDA). Mr Vildosola is offering \$2500.00 per month on a 10 year lease. The IDA would be responsible for property taxes. He will carry the insurance on the structure and personal items in the warehouse. The sole benefactor of any structural claim will pertain to the IDA. Mr Vildosola will be responsible for any and all upkeep to the property. His personal improvements will be approved by the IDA prior to commencement, i.e loading docks, extended concrete pads, enclosure of open I-beam exterior structure. Mr Vildosola would like the option to purchase at the end of the 10-year lease at fair market value, minus the cost of all improvements performed on the property by Mr Vildosola. He is also requesting the contract to include an exit clause without penalty prior to the 10 year lease and no credit for improvements. He has verbally approved the parking of the storage trailer on the land for the future use of Pop Warner Football and Cheer access.

Option 2:

The same terms as option 1, except for 5 years with the right of first refusal

Option 3:

Lease the said property for \$2000.00 a month and be responsible for property taxes. The terms would be same as option 1 for 10-year or option 2 for 5 - years.

Option 4:

Mr. Vildosola would like to discuss a purchase of the IDA Warehouse with the IDA carrying the note on a 5 year term. If sale is considered, he would negotiate sales price and interest rate.

Hector Quijada stated that on the warehouse sale they needed legal advice from Juan P. Flores.

Oscar Vildosola stated that about the grandfathered status for the warehouse, if it changes owners than the grandfather goes away. In addition, Oscar Vildosola commented that in the meantime, he can start renting the place as of next week.

Bill Thomas Sr., commented that the IDA purchased a 48 foot trailer and they want to place it there for the Pop Warner football equipment and that can be part of the deal and Oscar Vildosola to do it for free.

Bill Thomas asked Oscar Vildosola for a certificate of liability naming the IDA as additional insured on this property.

Oscar Vildosola stated it was no problem and stated Florencio Lopez advise him of this trailer.

Oscar Vildosola asked the IDA members if they would like to select one of the purchase offers he submitted.

Motion by Bill Thomas Sr. to do a 90 day verbal agreement with Oscar Vildosola for \$2,500 monthly and he will furnish IDA with a certificate of insurance beginning, October 17, 2016, contingent upon Oscar Vildosola on receiving the necessary permits, second by Florencio Lopez. Motion passed unanimously.

Moreover, Bill Thomas commented that Oscar Vildosola can have his attorneys draft a License Agreement and then present it to the IDA for review.

Bill Thomas Sr. mentioned that once IDA sells the warehouse, IDA will need to look at land in order to build another warehouse.

**7. UPDATE ON THE DOUGLAS COMMERCIAL PORT OF ENTRY**

Alma Andrade stated that Juan Pablo Flores was unavailable to provide an update; however, he can attend at a future meeting to provide an update.

**8. CALL TO THE PUBLIC**

None.

**9. AGENDA ITEMS FOR NEXT MEETING**

- September 14 and October 12, 2016 minutes
- Treasurer's Report
- Update on IDA Warehouse
- Report from Mr. Dickson regarding Copper Queen Clinic
- Update on Douglas Port of Entry

**10. DATE FOR NEXT MEETING**

November 9, 2016

**11. ADJOURNMENT: 12:12 p.m.**

Prepared by Alma Andrade, Deputy City Clerk.



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.