

**Minutes of the City of Douglas  
INDUSTRIAL DEVELOPMENT AUTHORITY  
July 10, 2014**

**1. CALL TO ORDER:** an Industrial Development Authority meeting of the City of Douglas was held at City Hall, 425 10<sup>th</sup> Street, Douglas, AZ 85607 on July 10, 2014 at 11:00 a.m.

**2. ROLL CALL**

**PRESENT**

Daniel Ortega Sr.  
Howard Henderson  
Bill Thomas Sr.  
Robert Marrufo  
Florencio Lopez  
Patrick Scherden

**ABSENT**

Josue Lopez  
Eddie Rivera  
Craig M. Hughes

**Others Present:**

Carlos De La Torre, City of Douglas  
Juan Pablo Flores, City of Douglas  
Mary Ann Ead, Realtor  
Holly Berryhill, Realtor  
Michael Gutierrez, Realtor  
Alma Andrade, City of Douglas

**3. TREASURER'S REPORT**

Howard Henderson mentioned no significant changes have been made to financials, therefore, no Treasurer's report is available since IDA met 10 days ago, however, received B&D Lumber final 30 day payment.

**4. DISCUSSION REGARDING THE DOWNTOWN REVITALIZATION PROJECT (REALTOR'S INVITED)**

Bill Thomas Sr., started by welcoming the Realtors present to the meeting as they are crucial for this project IDA would like to implement. Members of IDA will become more proactive in the community in order to fix it. Not only fixing commercial but residential areas as well. IDA is proposing to community realtors to come up with an abandoned house/building in order for IDA to refurbish in order to make it presentable and sell it.

IDA will utilize local contractors and put it for bid in order for them to bid for the proposed project.

Holly Berryhill inquired about a list of properties that are substandard. Bill Thomas provided the updated list of available City properties.

Michael Gutierrez inquired about what properties are viable for such project.

Bill Thomas stated an example would be the Douglas Motel on 13<sup>th</sup> Street and F Avenue. This property has been abandoned for years. There may be a possibility of creating studios in this area.

Mary Ann Ead inquired to whom projects would be sold to if the community does not have resources to buy them.

Bill Thomas stated that anyone with money not necessarily from the community, it could be somebody from out of town who is in the business market and wants to make money renting ei. Studios, etc.

In addition Bill Thomas mentioned there is an abandoned house on 11<sup>th</sup> Street and D Avenue caddy corner from the Douglas Apartments. The City of Douglas owns the Douglas Apartments and they will put out for bid for refurbish, which could be a great project to beautify the area.

Carlos de la Torre stated that on a broken building somebody is paying taxes or they have not paid them. The idea is for the City to enter in some sort of an agreement with the property owner in order for the City to purchase the land and by doing that the owner does not have to pay taxes for the first year. The City would control ownership and the City can solicit other investors to renovate the building, flip it over and turn it into the private sector again with the option to buy or to pay interest only. The property can be on the City's name as the city has control of the property or land. This does not mean we will take care of all the risks but sharing it with the owner.

Holly Berryhill stated there are many buildings in the downtown area which people do not buy due to how deteriorated they are. People may have the money to purchase it but not to renovate it. So they usually do not have money for both.

Michael Gutierrez mentioned that the downfall in the area is the economic aspect, which is not very good. Every time you renovate a house/building you will lose \$10,000 rather than making money out of it.

Holly Berryhill stated that sweet deals are taken by people that jump on them as they like to flip and to sell as they renovate them.

Howard Henderson inquired about the possibility of using inmate labor to offset what would ordinarily be a \$10,000 loss.

Michael Gutierrez stated it could be done with the help of inmate labor, cost could reduce. Project benefits are for the community not for realtors.

Holly Berryhill stated that realtor's need some sort of motivation as commission is usually \$3,000. Bill Thomas added that realtors will not be working for free as there would be some sort of compensation.

Michael Gutierrez agreed with IDA members as this is a great idea and it is what the City needs. People that come to visit Douglas for the first time, they take the first impression if they come through G Avenue, the only thing you see are abandoned buildings.

Howard Henderson stated IDA is trying to give to the community and also to divide work for realtors, contractors, etc.

Florencio Lopez mentioned that the Douglas High School has 9 vacancies of Teachers that left Douglas since we do not have anything nice to offer them (Housing, Apts, etc).

Michael Gutierrez believes that most of the contractors that are licensed and bonded are using day labors. Florencio Lopez stated that most contractors are licensed and bonded.

Holly Berryhill stated Douglas is missing apartments for average people. Howard Henderson inquired on La Perilla Apartments rate, which is at \$590 to \$700.

Michael Gutierrez stated realtors want to do everything they can to help with this project.

Holly Berryhill mentioned that at the Mexican Consulate Offices they have 18 offices upstairs with a hall way. Offices are interconnected to start your business.

Realtors mentioned that as you come in through downtown all you see are vacant buildings. Carlos de la Torre inquired that perhaps realtors may come up with a list of vacant building and owners information from the downtown area and may be able to fix.

After a long discussion Bill Thomas stated IDA can go to UofA or ASU and have their architectural department take a look at the building as a class project and IDA gets it done for free. Once complete by the universities, IDA puts for sale to the private sector.

Howard Henderson mentioned once IDA recuperates the investment, IDA gets out of the project and is done. They may go to the next vacant project.

Mr. Ortega mentioned that all had good ideas and would like to know what other realtor's think about the idea in order to move forward. IDA would like to partner with realtors in order to make this project a reality.

Realtors meet once a month on a second Tuesday, therefore, they will present to the rest of the realtors and will report to the IDA.

In addition Realtor's mentioned that in the meantime, buildings can have windows replaced or add drapes in order to improve the physical appearance of such buildings.

IDA Members will follow up with Douglas Realtors on accomplishing the Downtown Revitalization Project Plan. Follow up at next IDA Meeting.

## **5. DISCUSSION/UPDATE ON B&D LUMBER MONTH TO MONTH LEASE**

Mr. Ortega Sr. stated that IDA has received the final payment from B&D Lumber, as they will be out of the building by July 20, 2014, and then clean-up and out by the end of July 2014.

Carlos de la Torres mentioned that the City has been approached by Alstyle Manufacturing to look at the possibility of leasing that particular warehouse. Alstyle looked at four facilities, B&D warehouse, Old Kmart Building, Thomas Home Furnishing warehouse at Cochise Industrial Park, and the current furniture store "Rack". BW Architects are helping with the PD Building and Call Center's analysis. Carlos de la Torre is working on figures separately to provide to Alstyle. Taxes and Insurance will be separate. Longer term lease. One shifts 15-20 employees. Provide some sort of an incentive if they provide two or three shifts, than there is a possibility of reducing the rate.

In addition, Carlos de la Torre stated that initially IDA would help cover upgrades but they will be billed as part of the tenant improvements, so the rate may be anywhere from .35 cents per square foot.

Florencio Lopez inquired about the possibility of doing a walk through the facility in order to identify needed improvements/repairs.

Mr. Ortega Sr. added that we can create employment to 40-50 individuals.

## **6. CALL TO THE PUBLIC**

None.

## **7. AGENDA ITEMS FOR NEXT MEETING**

- Treasurer's Report
- Discussion/update regarding the Downtown Revitalization Project Plan.

**8. DATE FOR NEXT MEETING**

August 13, 2014 at 11:00 a.m.

**9. ADJOURNMENT: 12:14 p.m.**

Posted at City Hall on Friday, August 8, 2014, by:

Alma Andrade  
Executive Assistant

For reasonable accommodations pursuant to the Americans with Disabilities Act (ADA), call Frank Piñon at 417-7315 as early as possible to coordinate needed arrangements.  
For further information, please call Alma Andrade, City of Douglas at 417-7302.