

**Minutes
MAYOR AND COUNCIL
WORK SESSION - JANUARY 27, 2020**

The City of Douglas Mayor and Council met in a Work Session on Monday, January 27, 2020, at 4:00 p.m. in the Council Chamber of City Hall, 425 Tenth Street. The Honorable Mayor Uribe called the meeting to order and Council Member Grijalva led the invocation after the Pledge of Allegiance.

2. ROLL CALL.

	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR, ROBERT URIBE	X	
COUNCILMEMBER, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN	X	
COUNCILMEMBER, DONALD HUIH	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, CESAR SOTO	X	
COUNCILMEMBER, JOSE GRIJALVA	X	
CITY MANAGER, JERENE WATSON	X	
CITY ATTORNEY, JUAN PABLO FLORES	X	
CITY TREASURER, LUIS PEDROZA	X	
ACTING CITY CLERK, ALMA ANDRADE	X	

3. PERSONS WISHING TO ADDRESS THE COUNCIL IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.

None.

4. PRESENTATION/DISCUSSION by Jimmy Flores - Qualytics, Dan Coxworth - Cochise County Community Development Services Director, Victor Gonzalez - Town of Sahuarita Economic Development Director, Jerene Watson - City Manager, and Dawn Prince - Deputy City Manager, pertaining to ECONOMIC DEVELOPMENT UPDATE & PLANNING DISCUSSION.

Jerene Watson provided background information regarding the presentation for work session.

- Jimmy Flores, Co-Founder and CEO of Qualytics, which was a technology company promoting opportunity zone initiative in Arizona and hoped to create the same in the United States.

Mr. Jimmy Flores provided background information on this presentation. Additionally, Mr. Jimmy Flores commented that opportunity zones were to promote Arizona, real estate and for growing as an economic community.

Mr. J. Flores stated that opportunity zones investment tool established by congress in the Tax Cuts and Jobs Act of 2017. 8,764 low income census tracts located in all 50 states and Puerto Rico were selected by governors and subsequently certified by the U.S. Treasury in low income urban and rural communities nationwide. Opportunity zones provided a tax incentive for investors to reinvest their unrealized capital gains into dedicated opportunity funds.

Moreover, Mr. Jimmy Flores commented that opportunity zones encompassed fifteen percent of the united states, typical in rural communities and brought monies to rural communities.

Council Member Huish inquired on when the opportunity zones were designated in Douglas and how was the process.

Mr. J. Flores responded that legislation passed in December of 2017, the State's passed opportunity zones in February or March 2018, and were designated in April of 2018. Additionally, Mr. J. Flores added that fortunately in Arizona, Governor Ducey allowed economic developers to choose opportunity zones and presented them to the State board for approval. Moreover, Mr. J. Flores commented that opportunity zones had to meet certain criteria.

Council Member Huish additionally inquired on the diagram south of Bisbee Douglas International Airport and asked if the airport was included.

Mr. J. Flores stated that was unaware.

Council Member Shelton inquired on how long Qualytics had been in existence.

Mr. J. Flores responded that his previous experience had been in retail, technology, and real estate. However, when opportunity zones were released in Arizona it was an incentive to take and has been in business for more than two years.

Council Member Shelton asked if anyone had contacted Mr. J. Flores to present to council.

Mr. J. Flores stated that he met the Attorney that helped Governor Ducey with the maps and that he met him at a Starbucks and continued from there.

Council Member Shelton additionally inquired if Mr. J. Flores was raised in Phoenix.

Mr. J. Flores responded that he was.

Council Member Shelton commented that he did find the presentation inspiring and that God directs in unusual ways and answers prayers for Douglas.

Council Member Grijalva inquired about the economic developers and submittal of opportunity zones, and additionally asked if it was possible to leverage a zone and move to another spot.

Mr. J. Flores stated that since regulations have passed that there were new proposals in DC in which economic developers could adjust opportunity zones over a period of time. Additionally, commented that the legislation sunsets in which the zones are set in stones and had a specific period. Moreover, Mr. J. Flores stated that the sunset was at thirty to forty years depending on the year of investment.

Mayor Uribe thanked Mr. J. Flores

- Dan Coxworth, Cochise County Director of Development Services

Dan Coxworth provided background information on the following:

- Number of tenants at Bisbee Douglas International Airport
- BDI is a public use airport and owned by Cochise County
- BDI receives \$150,000 a year for support
- BDI was about 2600 acres, and 20 of those acres are owned by the county and leased to AZ Department of Corrections for \$1 a year.
- The main runway was about 6430 feet long, and that the cross runway was about 4966 feet

- Blue area on maps was aeronautical area, yellow areas was the non-aeronautical area.
- Red area non-aeronautical area for revenue generating
- Northside of airport drop zone.
- Four taxi ways from south to north
- Tenants at BDI
- Tenants are trying to attract new business

Mayor Uribe inquired on how to market an airport.

Dan Coxworth responded that they had a prospective, and stated that primarily showed available land, but hangars were difficult to market as they were not available with tenant space.

Council Member Huish inquired on structure wise, if buildings were taken down.

Dan Coxworth responded that the buildings were more of a hazard. Dan Coxworth provided information on tenants, county's perspective at the airport and runway rehabilitation information.

Mayor Uribe inquired if BDI was designated as a foreign trade zone.

Dan Coxworth stated it was across the street, but expected to find out at the end of the quarter if foreign trade zone would be expanded to the entire county.

Council Member Shelton asked who would provide authority and if it was the U.S. Government.

Dan Coxworth commented that the U.S. Government would provide authority for the foreign trade zone.

Mayor Uribe commented that that would have a tremendous economic impact in the county. Additionally, Mayor Uribe stated that those were the reasons why the area could not be explored due to no foreign trade zone available.

Council Member Lindemann asked how long was the runway and what airplane size could land.

Dan Coxworth responded that it was 6400 feet long and that C130 came in for military, but not rated for heavy aircraft.

Council Member Lindemann additionally inquired if funds were available for runways and if in future planning who would have to build in order to accommodate bigger planes.

Dan Coxworth stated that the consultant was Armstrong and Associates and they helped with grant management, procurement and contracting for airport improvements.

Council Member Morales inquired how much the county received a year for private air traffic.

Dan Coxworth responded that in 2018 fuel was at approximate amount of \$52,000.

Council Member Huish asked on the water well and main, and asked if the county felt comfortable, and if it was sufficient for up to 8 years.

Dan Coxworth was unaware if the county could accommodate a high-water usage, but for the investments the county had at the airport was plenty.

Council Member Shelton expressed that he remembered that American Airlines would fly to BDI. Lastly, Council Member Shelton thanked the presenters.

- Dawn Prince provided background information regarding the Intergovernmental agreement renewal with Cochise County Tourism.

Dawn Prince provided a brief explanation on what the city received from partnering with Cochise County Tourism Council, collaboration, and responsibility from each city.

Dawn Prince stated that each participating city would contribute a total of \$15,000, Cochise County (\$34,000) and Sierra Vista (\$20,000) since they were larger and they would pay more. Additionally, Dawn Prince commented that there was a part time marketing and outreach employee that was also paid from funds for the regional council.

Moreover, Dawn Prince commented that the value each city would receive in return were several in order to obtain tourism and greater opportunity reached to get tourists. Additionally, Dawn Prince stated that each city would receive marketing purchasing power.

Lastly, Dawn Prince commented that the City of Douglas was contacted by American Way Magazine for American Airlines to be in their magazine, and stated that the magazine was in the back pocket of every airline.

Council Member Shelton commented that the city was thinking outside the box.

Council Member Grijalva thanked Dawn Prince for her presentation, and stated that previously there was no return of investment.

Council Member Shelton stated that a friend commented that the Gadsden Hotel was remodeled, and stated that people was noticing and making positive comments.

Mayor Uribe thanked and congratulated Ms. Prince for her presentation. Mayor Uribe added that marketing was essential when talked about economic development, and suggested since Douglas has a Museum and an Art Gallery, to utilize and put them together for people to visit.

Lastly, Mayor Uribe commented that the city could collaborate with businesses and have a travel packet to include hotels list, restaurants, and all exploring areas in Douglas.

Dawn Prince commented that the city was working on a visitor travel and welcome packets.

Jerene Watson added that the City of Douglas has the Discover Douglas Tours which occur the second and fourth Saturday of the month.

- Victor Gonzalez, Town of Sahuarita Economic Development Director.

Victor Gonzalez provided background information in reference to projects held in the Town of Sahuarita. Additionally, Victor Gonzalez commented on the following topics:

- Small Business Development

The Town of Sahuarita worked with program partners to energize, develop, grow, excel & bizlaunch.

Council Member Huish inquired on how Accion was involved with the Town of Sahuarita.

Victor Gonzalez responded that Accion was involved through the BizEdge program part of the Shark Tank event where a number of businesses did not meet the eligibility criteria as the program was very specific to businesses that had been in existence for number of years or for amount of sales.

Moreover, Victor Gonzalez stated they started a program in which Accion was a partner for the start of businesses that went through the program, and that it was delivered by the Center Innovation of UofA. Additionally, Victor Gonzalez commented that for those businesses that went through the program were eligible for a discounted rate for starting by Accion.

- Employment Centers
- Public Investments

And what does Economic Development look like.

Mayor Uribe inquired on what Victor Gonzalez' recommendation could be for the City of Douglas.

Victor Gonzalez responded that he would go back to the point in public investment by way of creating the blueprint, and that there were opportunity zones, BDI, and things that the City was doing for downtown. Additionally, Victor Gonzalez commented there needed to be an alignment for the vision, and an alignment for blueprint. Moreover, Victor Gonzalez added that ultimately what helped him in his position as an Economic Developer, as well as for the Town Manager, and council was the alignment they had through a strategic plan.

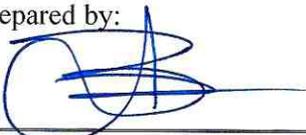
Victor Gonzalez stated that it was important, but it was not a glamorous public investment. Nevertheless, if the investment was done in a strategic plan for economic development with the blueprint, then the city would be able to move forward with project developments.

Additionally, Victor Gonzalez commented that the Town of Sahuarita would not have been able to secure \$3M grant without having a document at hand that demonstrated what their economic development roadmap was. Victor Gonzalez added that they would not been able to secure three quarters of a million dollars from Freeport McMoran Foundation if they did not have the blueprint at hand to show where Sahuarita would stand. Lastly, Victor Gonzalez, suggested that by public investment to consider a strategic plan for economic development.

4. **ADJOURNMENT**

Motion by Council Member Lindemann, **second** by Council Member Morales to adjourn the meeting at 5:30 p.m.

Prepared by:



Alma Andrade, Acting City Clerk