

**DOUGLAS CITY COUNCIL
SPECIAL MEETING MINUTES
APRIL 8, 2019**

The City of Douglas Mayor and Council met in a Special Meeting – Work Session on Monday, April 8, 2019, at 5:00 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Pro Tempore Huish called the meeting to order at 5:00 p.m.

2. ROLL CALL.

	PRESENT	ABSENT
MAYOR, ROBERT URIBE		X (excused)
MAYOR PRO TEMPORE DONALD HUISH	X	
COUNCIL MEMBER MARGARET MORALES – WARD ONE	X	
COUNCIL MEMBER MITCH LINDEMANN – WARD TWO	X	
COUNCIL MEMBER RAY SHELTON - WARD FOUR	X	
COUNCIL MEMBER CESAR SOTO - WARD FIVE	X (delayed 5:04 p.m.)	
COUNCIL MEMBER JOSE GRIJALVA – WARD SIX	X	
INTERIM CITY MANAGER – JERENE WATSON	X	
CITY ATTORNEY - JUAN PABLO FLORES	X	
CITY TREASURER - LUIS PEDROZA		X (excused)
CITY CLERK - BRENDA AGUILAR	X	

3. PRESENTATION/DISCUSSION by Erik Lee, Executive Director of North American Research Partnership, and Kenn Morris, CEO/President of Crossborder Group, concerning the PRELIMINARY CROSS-BORDER ASSESSMENT REPORT.

Erik Lee and Kenn Morris (Mr. Morris attended telephonically) gave a PowerPoint presentation concerning the following:

- Preliminary Crossborder Economic Assessment for the City of Douglas, Arizona About NARP
- About Crossborder Group
- Executive Summary: Data
- Executive Summary: Interviews
- Douglas Already is a Destination
- Short Trips, Mostly for Shopping
- Visitor Spending
- Dealing with Image Issues
- Retail Challenges and Opportunities
- Additional Crossborder Business Opportunities and Challenges
- What is Douglas' Brand in Mexico?
- Findings and Recommendation
- The Bottom Line

“Embracing our Heritage – Advancing our Future”

Council Member Lindemann asked if there was a reason Douglas was chosen as a destination (by Mexican visitors).

Erik Lee stated the primary reason given was shopping followed by work and business.

Council Member Shelton asked when the study had taken place.

Erik Lee informed it had been initiated last December beginning with the data analysis and interviews had taken place in December and January.

Mayor Pro Tempore Huish pointed out the foundation had been from the 2016 Sierra Vista commission.

Erik Lee agreed.

Council Member Lindemann inquired how the pedestrians crossing into the United States would be impacted based on the reform by Mexico's President to increase wages by fifteen percent.

Erik Lee stated there had been several reforms implemented since the beginning of the term for Mexico's President that were meant to boost the economic opportunities for people of lower-end to medium socio economic status. It could potentially have a positive effect along with the border free zone that could create some investment opportunities in Mexico, which would be good news for U.S. border communities.

Council Member Lindemann further inquired if the truck traffic would be affected by one of the reforms was to move back by fifteen kilometers the location of the Mexican Port of Entries.

Erik Lee had not looked at that aspect.

Mayor Pro Tempore Huish inquired if there were other border communities along the Arizona/Mexico Border with similar studies.

Erik Lee had not conducted any studies as research budgets were tight in border communities. Essentially the State of Arizona had been relying on a 2008 University of Arizona Study on Mexican visitors.

Kenn Morris stated the City of Calexico in Imperial County had hired them for a 2016/2017 study and the information could be provided to the council, but it was also posted online.

Mayor Pro Tempore Huish commented that Douglas at the current time was not a destination city and south of the border within traveling distance there was not a large economic base. However, the study being reviewed had important data and could assist in determining the City's current status and what could be done.

It was further asked if there were any state or national issues that should be championed to help facilitate in the long run such as inter-commerce or if any issues needed to be analyzed and/or supported beforehand.

Erik Lee stated special attention needed to be placed on USMCA by the City of Douglas and its potential ratification in the three national legislatures. Furthermore, as noted on the report it was not a done deal and the congressional delegation was key.

Mayor Pro Tempore Huish asked if based on the data provided for vehicles and pedestrians' crossings, a determination had been made on pedestrians spending less than the vehicles.

Ken Morris explained no data on pedestrian crossings was available as the Sierra Vista scope of study focused on the vehicular traffic only since because pedestrians were probably not traveling to Sierra Vista.

Jerene Watson asked if data had been collected from pedestrians using the City's transit system concerning what could be carried back.

Ken Morris explained that since the bus service had not been implemented pedestrians had not been targeted for the study.

Danny Morales, local resident, made the following comments:

- Suggested lobbying efforts for (unknown) initiative at the congressional level
- Requested feedback concerning potential closure of ports of entry

Erik Lee explained the data showed closing ports of entry was not exactly known due to the different environments which included commercial, privately owned vehicles, and pedestrian. Furthermore, the City of Douglas would have a daily loss of approximately two-hundred fifty thousand dollars in retail sales and no figures were available for the commercial side, but it would be a significant negative impact.

Mayor Pro Tempore Huish recessed the meeting from 5:40 p.m. and reconvened at 6:13 p.m.

4. PRESENTATION/DISCUSSION by Matrix Design Group concerning ECONOMIC AND COMMUNITY DEVELOPMENT and ITS INTEGRATION INTO THE CITY BUDGET and GOALS of WORK of the CITY.

Jerene Watson introduced the Matrix Design Group: Felipe Zubia, Sam Elters, and David West.

The Matrix Design Group gave a PowerPoint presentation concerning the following:

- Capital Improvement Plan
- Agenda
- The Matrix Team
- Local & National Experience of Matrix Staff
- Capital Improvement Planning
- Questions and Answers

Council Member Shelton inquired if government grant awards were available to address roads.

David West explained that although there were grants available for many different things, the grant cycles fluctuate, and having a program in place could be invaluable in securing grants.

Council Member Shelton asked if David West could assist with grant requests.

David West stated they could assist with grant requests.

Council Member Shelton suggested that since Mr. West would require payment, but due to his experienced the council might consider that avenue.

David West further stated that grants were a long term process due to their annual cycles a lot of them were on the federal fiscal year, it was suggested to start the grant process now for next year's cycle.

Council Member Shelton asked if there was information concerning Highway User Revenue Funds (HURF) being provided by the government to cities.

Sam Elters explained that every capital improvement program (CIP) was different and not suitable for every community; therefore, one that was practical and worked well would be developed to meet the needs of the community. Moreover, an issue to consider is that it responds to revenue increases and short falls. During earlier years when the economy was strong, Highway User Revenue Funds were divided using a formula between the state, counties, and cities. However, due to the downturn in the economy funding was previously swept by the legislature in order to fund the Department of Public Safety and less dollars were made available for road improvements. In the current year there is more talk about increasing fund availability as a bill has been introduced for users to pay more at the pump and if it becomes law, it will go into the Highway Revenue User Fund which would then be distributed between the state highway system, counties, and cities. If it does not pass, the status quo will remain.

Council Member Shelton pointed out that the majority of the money was going to Maricopa County.

Sam Elters stated the entire state had to be looked at by the board and in reviewing the breakdown of what Maricopa had to offer, they were receiving their share, but no more than that.

Council Member Grijalva asked what funding sources were most commonly used depending on the project type.

David West stated that they were all used; however, for cities typically it was the sales tax.

Sam Elters added that some sources had more constraints than others.

Jerene Watson request information regarding the bonding process and in particular the secondary property tax.

Sam Elters explained that once there was a dedicated revenue stream bonding was the tool to bring it home and with ADOT it was a common practice.

Mayor Pro Tempore Huish requested an explanation concerning the implementation portion as the council was included at a later time.

Felipe Zubia stated that it had not been the intent as the last two portions were a part of the formal process, but earlier in the presentation council direction was required to establish a subcommittee in order to talk about goals and objectives by the council, adding that it would happen throughout the process.

5. **PRESENTATION/DISCUSSION** by MARK APEL, UNIVERSITY OF ARIZONA COMMUNITY RESOURCES DEVELOPMENT AREA AGENT, concerning the AREA SECTOR ANALYSIS PROCESS (ASAP) FINDINGS.

Mark Apel gave a PowerPoint presentation concerning the following:

- ASAP Summary and Implementation Report
 - Introduction
 - ASAP Model
 - Survey Results (Desirability)
 - Asset Evaluation Results (Compatibility)
 - Target Industry Sectors
 - Implementation Strategy – Next Steps

The following members of the Steering Committee commented on their process involvement and shared some of their personal ideas/information: Adam Brake, Lawanna Marlene Diffie, Cindy Hayostek, and Michael Gutierrez.

Council Member Morales asked if the buildings on 5th Street had been taken into account along with the G Avenue vacant buildings as there were several businesses that had closed on 5th Street.

Mark Apel stated that as part of the process follow-up would be for the implementation committee to do a good inventory of those type of vacancies in order to inform on policies to council.

Council Member Grijalva pointed out that business owners were active participants in the process and follow-up would be needed on the proposals.

David Carranza informed that Mark Apel would no longer be working with his current employer, but would be working with Cochise County.

Council Member Shelton suggested a Saturday meeting in order to develop goals and move forward.

6. **ADJOURNMENT.**

Motion by Council Member Morales, **second** by Council Member Shelton to adjourn the meeting at 7:55 p.m. unanimously passed.

Prepared by:


Brenda Aguilar, City Clerk