

MINUTES OF THE SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) OF THE CITY OF CASA GRANDE HELD NOVEMBER 6, 2014 IN THE CITY HALL COUNCIL CHAMBERS, 510 E. FLORENCE BLVD., CASA GRANDE, ARIZONA, AT THE HOUR OF 4:00 P.M.

MEMBERS PRESENT:	David Fitzgibbons	President
	Kirk McCarville	Vice President
	Tommy Caywood	Secretary/Treasurer
	Richard O'Neil	Assistant Secretary/Treasurer
	Kara Cooper	Member
	Ole Solberg	Member
	David Brett Benedict	Member
	Dennis Dugan	Member
	Dennis Jenkins	Member

MEMBERS ABSENT: None

OTHERS PRESENT: Margaret Pieper, Recording Secretary

Call to Order

President Fitzgibbons called the meeting to order at 4:00 p.m.

Roll Call

Roll call established a quorum was present.

Approval of Minutes – May 28, 2014 Meeting

Member Jenkins moved to approve the minutes of the May 28, 2014 meeting as presented. Motion was seconded by Member Dugan and carried unanimously.

Old Business

None

New Business

A. Discussion and Possible Action Regarding Potential Investment

Member O'Neil declared a conflict of interest and did not participate in the discussion. Member McCarville stated the IDA had previous discussions on investing their money in Casa Grande. Members Caywood, Fitzgibbons, O'Neil and McCarville had a sub-committee meeting last week to talk about purchasing the building located at 408/412 N. Florence Street in the downtown area of Casa Grande.

Member McCarville invited Danielle and Robert Delsi, 1322 E. 12th Street, Casa Grande, AZ, to address the Board. If the IDA purchases this property, the Delsis would like to lease it and open the Old Town Brew House. They utilized the Small Business Center to develop their business plan. When asked, Danielle stated they cannot secure traditional loans to purchase the building, therefore would like to lease it. The proposal includes leasing the building rent free for the first year due to the expenses they would incur fixing the bathrooms. Starting the second year, the rent would be approximately \$25,000 per year. The goal would be to have the rent payments cover the IDA's mortgage payments. There was discussion on the IDA's concerns about them having enough reserve funds and working capital to cover the bar build, fixed assets and other on-going expenses. Robert and

Danielle Delsi have secured \$80,000 funding for startup through a private investor and have some personal investments they could access, if necessary. They hope to sub-lease adjoining retail space to a tenant who would complement their business. The property is one building with 5,200 square feet but has two addresses. The Board also expressed concerns regarding adequate parking in the downtown area.

Members agreed there were two issues to be discussed. First, the IDA needs to determine if purchasing this property is a good investment and second, if the IDA purchases the building, they will need to secure a tenant. Discussion followed on the need for an appraisal and the IDA having adequate time to do their due diligence prior to making an offer to purchase the building. An offer could be made, subject to the appraisal and other conditions the IDA determines. The Board also felt the 7% proposed interest rate was too high. There was discussion about the options of purchasing the building outright with IDA money or paying off the loan early if there was no prepayment penalty.

Member Jenkins moved to authorize the IDA to enter into negotiations for acquisition of property located at 408/412 N. Florence Street provided there is sufficient time to do due diligence, including an appraisal. Motion was seconded by Member Benedict. Motion carried with one Nay vote by Member Dugan. Member McCarville will obtain a contract and send it to the Board for review prior to the meeting next Tuesday, November 11, 2014.

Chairman Fitzgibbons told Robert and Danielle Delsi that if the IDA purchases the building, the IDA will talk to them as a potential tenant. This will give them time to work on their business and financial plan.

Future Agenda Items

Approval of the IDA Financial Statement will be on the November 11, 2014 agenda.

Call to the Public

None.

Next Meeting Date

The next meeting will be November 11, 2014.

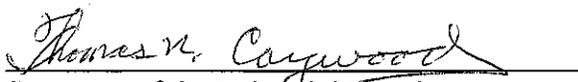
Adjournment

Member Soleberg moved to adjourn the meeting at 4:56 p.m. Motion was seconded by Member O'Neil and carried unanimously.

Submitted by Margaret Pieper, Recording Secretary of the Industrial Development Authority of the City of Casa Grande, to the City Council, subject to the Authority's approval.

Approved this 11 day of November, 2014 by the
Industrial Development Authority of the City of Casa Grande.

ATTEST:


Secretary of the Industrial Development
Authority of the City of Casa Grande