

MINUTES OF THE SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) OF THE CITY OF CASA GRANDE HELD DECEMBER 17, 2014 IN THE CITY HALL COUNCIL CHAMBERS, 510 E. FLORENCE BLVD., CASA GRANDE, ARIZONA, AT THE HOUR OF 4:00 P.M.

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| 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. Member Dugan arrived at 4:14 p.m.

Approval of Minutes – November 11, 2014 Meeting

Member Benedict moved to approve the minutes of the November 11, 2014 meeting as presented. Motion was seconded by Member Jenkins and carried unanimously.

Discussion of Finances and Approval of Treasurer's Report

There being no further discussion, Member Benedict moved to approve the Treasurer's Report as presented. Motion was seconded by Member Jenkins and carried unanimously.

Old Business

A. Discussion and Approval of Contract to Purchase Property at 408/412 N. Florence Street, Casa Grande, AZ

President Fitzgibbons stated a purchase contract was signed with an amendment to extend the close of escrow to January 19, 2015 to allow time for the appraisal and inspection of the property. The appraisal cost was shared with the seller and the IDA each paying \$2,500. The appraisal of the property was \$216,500 which is \$41.41 a square foot. The original asking price was \$215,000.

President Fitzgibbons stated Kyle Myers, KM Real Estate Inspection, Casa Grande, Arizona performed the inspection of the property and invited him to present the inspection information to the Board. He summarized it as follows:

Water pools at the foundation wall on the west side of the building. Dirt will need to be pulled back to allow drainage. The plaster on the inside is starting to bubble from the water. The back door is up against the concrete and does not slope away so there is the potential for water to seep through the door in a heavy rain.

The roof has been redone in the last eight to ten years and is in good shape but needs maintenance work. The flat part of the roof has ponding water. Mr. Myers estimate is a couple thousand dollars to fix the roof. The fascia board is rotten in several areas and there is damage to the ceiling of the awning in multiple areas. There are stains from leakage that need to be addressed. Mr. Myers estimate is a maximum of \$5,000 for this work.

The structure is concrete block with stucco on the front. The stucco has cracks that need to be sealed and the entire building needs painting. The back of the building has a thin layer of concrete that needs repair prior to painting. There is no insulation in the attic and Mr. Myers suggested blowing in insulation. The air conditioning system is less than two years old and there is commercial duct work throughout the building. The estimate for small repairs such as replacing missing vents and fixing duct seams along with blowing in insulation was \$2,000.

The minor plumbing issues included exposed drain lines on interior walls, calcium build-up and leaks at several valves. Mr. Myers estimated it would take a plumber one day to fix the plumbing issues. All major electrical panels are up-to-date. The 408 building has one old electrical sub-panel. In the 412 building there were minor items noted such as a missing fuse, a missing cover on a j-box, unsheathed wires not in conduit and a ceiling fan with missing parts.

There is concrete coated flooring which has chips and holes that need repair. There are multiple areas where the walls have holes cut in them. There is a ceiling joist that is loose and needs a bracket to secure it. Mr. Myers also noted there is a 4-inch elevation change between the two buildings. Currently there is no kitchen area since the primary use in the past was retail space. There is evidence of termites on the southeast side of 412 and the west wall of 408 and Mr. Myers suggested the IDA call one of the local pest control companies for an estimate.

In response to Member Dugan's question, Mr. Myers stated his estimate to fix all the problems found in the inspection would be around \$10,000 and hopefully less. Member Dugan also asked if there was enough electrical for all the appliances needed if the building was leased to a restaurant or microbrewery. Mr. Myers stated the current electrical service is more than adequate for what is there now but he cannot accurately answer that question because he does not know the needs of that type of business.

There was discussion on the requirements for bathrooms, which depends on the use of the building. The need for sprinklers depends on the square footage and if there is a major change in occupancy. There is parking in front of the building and a public lot behind the building.

Member Cooper asked the Board if they should look at other potential buildings in the downtown area before the IDA spends a quarter million dollars on this building. Member McCarville said the City spent redevelopment money in the downtown and Florence Street is the best location to invest money.

Member Dugan moved to purchase the property at 408/412 Florence Street for a purchase price of \$205,000, which is the contract price of \$215,000 less \$10,000 for repairs, with the same terms of 20% down payment which is \$41,000, seller carries the balance of \$164,000 at 7% and no prepayment penalty. Motion was seconded by Member McCarville and carried unanimously. Member O'Neil declared a conflict of interest and abstained from voting. The purchase contract states the closing will be no later than January 19, 2015 but the Board hopes to close sooner. It was confirmed the Board has

cash on hand to pay for the closing costs and the down payment. There will be future discussion about the interest rate on the loan and paying it off.

B. If Contract to Purchase Property at 408/412 Florence Street is Approved, Discussion and Approval of Process to Lease the Property

The Board agreed that the property manager, Paula Lambert, AZ New Horizon Realty, will help look for potential tenants, including the possibility of the Old Town Brew House. Ms. Lambert stated she gets several calls a week from small businesses interested in leasing space in the downtown area.

New Business

A. Discussion and Possible Action Regarding Option to Purchase Lupita's Restaurant Property in Casa Grande, AZ

President Fitzgibbons stated the owners of the old Lupita's Restaurant building at 301 N. Picacho in Casa Grande contacted him when they heard the IDA was interested in purchasing a building in the downtown area. The cost would be between \$230,000 and \$280,000 for the building depending on the improvements. The Board agreed they were not interested in purchasing any additional property at this time.

Future Agenda Items

Members McCarville, Jenkins and Solberg volunteered to be on a subcommittee to work with the property manager on leasing the property at 408/412 Florence Street. They will report back to the Board at the January meeting.

Member O'Neil also suggested forming a subcommittee for defining the vision of the IDA and what it would like to do with its money. Members Benedict, O'Neil and Cooper will serve on a vision subcommittee and report back to the Board at the January meeting.

Next Meeting Date

The next meeting will be on January 28, 2015.

Call to the Public

None.

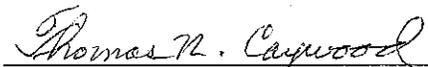
Adjournment

Member McCarville moved to adjourn the meeting at 5:15 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 28th day of January, 2015 by the
Industrial Development Authority of the City of Casa Grande.

ATTEST:


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